



U.S. Department
Of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

UPS OVERNIGHT DELIVERY

December 18, 2012

Mr. E.J. Holm, President
Iroquois Pipeline Operating Company
One Corporate Drive, Suite 600
Shelton, CT 06484

CPF 1-2012-1026

Dear Mr. Holm:

Between July 11 and July 15, 2011, State Inspectors from the New York State Department of Public Service (NYS DPS), acting as Agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your pipeline facilities in the Overland operating district of NY State, and records in Shelton, CT.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. **§ 192.491 Corrosion control records**
(c) Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained for at least 5 years, except that records related to §§192.465 (a) and (e) and 192.475(b) must be retained for as long as the pipeline remains in service.

The operator could not produce a record of an inspection for internal corrosion as required by 192.475(b).

In December of 2010, Iroquois Pipeline Operating Company (IPOC) completed a meter replacement project at their New Bremen metering station. The work involved removal of a 4-inch turbine meter and

installation of a Dresser Series 7M1480 Roots meter. To accommodate installation of the new meter, the company had to remove a short section of 4-inch piping.

During the audit conducted the week of July 11, 2011, staff requested documentation of an internal inspection for the New Bremen meter replacement project.

IPOC staff maintained that the inspection was done, but they did not have an internal inspection record on file.

2. § 192.707 Line markers for mains and transmission lines.

(a) Buried pipelines. Except as provided in paragraph (b) of this section, a line marker must be placed and maintained as close as practical over each buried main and transmission line:

(2) Wherever necessary to identify the location of the transmission line or main to reduce the possibility of damage or interference.

The operator failed to properly install and maintain line markers for each transmission line wherever necessary to identify the location of the transmission line or main to reduce the possibility of damage or interference.

On 7/14/2011 and 7/15/2011, NYSDPS staff performed a field audit along the pipeline from the St. Lawrence River crossing to the Mohawk River Crossing.

During this field audit, staff walked and drove sections of the pipeline and noted the operator did not have pipeline markers in adequate quantity or placement so that the route of the pipeline could be accurately discerned from any point on or adjacent to the pipeline right-of-way. There is at least one bend or turn along each of the pipeline sections denoted below. The areas inspected by NYSDPS staff include the following:

- a. From milepost MP 0 at the St. Lawrence River to the Crossing of State Route 37 (approximately 1 mile).
- b. From milepost MP 37.25 to MP 38.25.
- c. From milepost MP 76 to MP 76.75. There was only 1 line marker along this entire length of ROW and it was obscured by large growth vegetation.
- d. NYSDPS staff observed no line markers in the ROW near MP 149, MP 150 and MP 150.5.

NYSDPS staff took photographs of their observations along the pipeline.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$8,700 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$ 8,700

Proposed Compliance Order

With respect to item 2 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to IPOC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within **30** days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

Please submit all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2012-1026** on each document you submit, and please, whenever possible, provide a signed PDF copy in electronic format. Smaller files may be emailed to Byron.Coy@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

Byron E. Coy, P.E.
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

Cc: Mr. Kevin Speicher, NYSDPS

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Iroquois Pipeline Operating Company (IPOC) a Compliance Order incorporating the following remedial requirements to ensure the compliance of IPOC with the pipeline safety regulations:

1. In regard to Item Number 2 of the Notice pertaining to the failure to properly install and maintain pipeline line markers along the pipeline from the St. Lawrence River Crossing to the Mohawk River Crossing, IPOC must install pipeline markers in adequate quantity and placement so that the route of the pipeline, especially at changes in direction, can be accurately discerned from any point along the pipeline right-of-way (ROW).
2. IPOC must submit documentation that demonstrates it has completed the installation of the pipeline line markers along the pipeline from the St. Lawrence River Crossing to the Mohawk River Crossing, as noted in item #1 above, within 90 days of receipt of the Final Order.
3. It is requested (not mandated) that IPOC maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Byron E. Coy, P.E., Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.