

July 24, 2015

Mr. Eric J. Barron, President
Penn State University
201 Old Main
University Park, PA 16802

Re: CPF No. 1-2014-0002

Dear Mr. Barron:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and specifies actions that need to be taken by Penn State University to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Eastern Region, this enforcement action will be closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Byron Coy, Director, Eastern Region, PHMSA OPS
Mr. H. Ford Stryker, Associate VP, Physical Plant

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

| | | |
|------------------------|---|---------------------|
| In the Matter of |) | |
| |) | |
| PENN STATE UNIVERSITY, |) | CPF No. 1-2014-0002 |
| |) | |
| Respondent. |) | |
| |) | |

FINAL ORDER

From November 19-23, 2013, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of the master meter system on the Penn State University campus (PSU or Respondent) in University Park, Pennsylvania. Penn State University is an international research university that owns and operates multiple campuses and residence facilities in the Commonwealth of Pennsylvania that have master meter systems.¹

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated August 14, 2014, a Notice of Probable Violation and Proposed Compliance Order (Notice), which also included a warning pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that PSU had committed various violations of 49 C.F.R. Part 192 and proposed ordering Respondent to take certain measures to correct the alleged violations. The warning items required no further action, but warned the operator to correct the probable violation or face possible enforcement action.

PSU responded to the Notice by letter dated September 11, 2014 (Response). The company did not contest the allegations of violation but requested PHMSA's assistance in expediting compliance. Respondent did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

In its Response, PSU did not contest the allegations in the Notice that it violated 49 C.F.R. Part 192, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.303, which states:

¹ See <http://www.opp.psu.edu>. Current as of June 4, 2015.

§ 192.303 Compliance with specifications or standards.

Each transmission line or main must be constructed in accordance with comprehensive written specifications or standards that are consistent with this part.

The Notice alleged that Respondent violated 49 C.F.R. § 192.303 by failing to have defined construction procedures consistent with 49 C.F.R. Part 192 that outlined requirements for activities related to its gas-piping system. Specifically, the Notice alleged that during the inspection, a PHMSA inspector asked the PSU Supervisor for Steam Distribution and Gas Systems (PSU Supervisor) to provide construction procedures to demonstrate compliance with § 192.303. The PSU Supervisor stated that PSU did not have written procedures for construction, but did present several industry standards that PSU used for reference. PSU Supervisor never produced a comprehensive set of written procedures governing construction that are consistent with Part 192 however. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.303 by failing to have defined construction procedures consistent with 49 C.F.R. Part 192.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 192.355(b)(2), which states in relevant part:

§ 192.355 Customer meters and regulators: Protection from damage.

(a) ...

(b) *Service regulator vents and relief vents.* Service regulator vents and relief vents must terminate outdoors, and the outdoor terminal must-

(1) ...

(2) Be located at a place where gas from the vent can escape freely into the atmosphere and away from any opening into the building; and....

The Notice alleged that Respondent violated 49 C.F.R. § 192.355(b)(2) by failing to install regulators at a place where gas from the regulator vent can escape freely into the atmosphere and away from any opening into a building. Specifically, the Notice alleged that during field inspections, the PHMSA inspector observed and took a photograph of regulator vents positioned near the heater intake vent at the South Frear Building and near the building ventilation system vent at the Poultry P3 Building. The PSU Supervisor noted that he was aware of the requirement to avoid venting gas near openings into buildings, but that it was inadvertently overlooked. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.355 by failing to install regulators at a place where gas from the regulator vent can escape freely into the atmosphere and away from any opening into a building.

Item 3: The Notice alleged that Respondent violated 49 C.F.R. § 192.465, which states:

§ 192.465 External corrosion control: Monitoring.

(a) Each pipeline that is under cathodic protection must be tested at

least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of § 192.463.

The Notice alleged that Respondent violated 49 C.F.R. § 192.465 by failing to test each pipeline that is under cathodic protection at least once each calendar year, with intervals not to exceed 15 months, to determine whether the cathodic protection meets the requirements of § 192.463. Specifically, the Notice alleged that during the inspection, PSU produced procedures that require close interval surveys (CIS) every three years on their gas system, and information detailing a 2008 and 2010 CIS. PSU could not produce documentation of external corrosion monitoring for 2009, 2011 or 2012 which is mandatory under the regulations. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.465 by failing to test each pipeline that is under cathodic protection at least once each calendar year, with intervals not to exceed 15 months, to determine whether the cathodic protection meets the requirements of § 192.463.

Item 4: The Notice alleged that Respondent violated 49 C.F.R. § 192.465(d), which states:

§ 192.465 External corrosion control: Monitoring.

- (a) ...
- (b) ...
- (c) ...
- (d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.

The Notice alleged that Respondent violated 49 C.F.R. § 192.465(d) by failing to take prompt remedial action to correct cathodic protection deficiencies identified during a 2008 CIS of their pipeline systems. Specifically, the Notice alleged that during the inspection, a PHMSA inspector reviewed problematic documentation of multiple CISs done by a PSU contractor on June 21-25, 2008 and July 21-25, 2010.

The 2008 report showed:

- “[F]ive areas shower pipe-to-soil potentials more negative than -0.850V, which indicates that they are under cathodic protection.”
- “There are areas where pipe-to-soil potentials are generally in the range of -0.500V to -0.600V, indicating no cathodic protection and installation of dielectric insulators are recommended to correct the inadequacy.”
 - Six locations were determined to be deficient.

The 2010 report showed:

- The pipe-to-soil potentials that were generally in the -0.500V to -0.600V range during the 2008 survey were unchanged and, installation of six dielectric insulators was recommended again.

As of November 19, 2013, dielectric insulators at the six locations with low cathodic protection potentials has not been installed, and no other work had been performed by PSU to correct the

deficiencies identified during the 2008 and 2010 surveys. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.465 by failing to take prompt remedial action to correct cathodic protection deficiencies identified during a 2008 CIS of its pipeline systems.

Item 5: The Notice alleged that Respondent violated 49 C.F.R. § 192.603, which states in relevant part:

§ 192.603 General Provisions.

(a) No person may operate a segment of pipeline unless it is operated in accordance with this subpart.

(b) Each operator shall keep records necessary to administer the procedures established under § 193.605

The Notice alleged that Respondent violated 49 C.F.R. § 192.603 by failing to keep records necessary to administer procedures established under § 193.605. Their operators are required to keep records to demonstrate that the procedure manual for operations, maintenance and emergencies was reviewed and updated at intervals not exceeding 15 months but at least once each calendar year. Specifically, the Notice alleged that during the inspection the PSU supervisor could not produce documentation to show the procedure manual was ever reviewed or updated on a regular basis. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.603 by failing to keep records necessary to administer procedures established under § 193.605.

Item 6: The Notice alleged that Respondent violated 49 C.F.R. § 192.605(a) which states:

§ 192.605 Procedural manual for operations, maintenance, and emergencies.

(a) Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

The Notice alleged that Respondent violated 49 C.F.R. § 192.605(a) by failing to follow its own manual of written procedures for operations and maintenance activities. Specifically, the Notice alleged that PSU's procedures state that "[a]ny Grade 2 leak not repaired within 6 months should be rechecked to assure that it has not become more hazardous." PSU failed to recheck the Grade 2 gas leaks below within 6 months of discovery:

- Leak WA-12-BL-3 found on 6/19/2012 / re-checked 10/18/2012 / repaired on 8/13/2013 (six-month interval exceeded after 10/18/2012 re-check).
- Leak FXS-12-BV-1 found on 7/31/2012 / repaired on 10/14/2013 (six month interval exceeded after initial discovery).

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.605 by failing to follow its own manual of written procedures for operations and maintenance activities.

Item 7: The Notice alleged that Respondent violated 49 C.F.R. § 192.747(a), which states:

§ 192.747 Valve maintenance.

(a) Each valve, the use of which may be necessary for the safe operation of a distribution system, must be checked and serviced at intervals not exceeding 15 months, but at least once each calendar year.

The Notice alleged that Respondent violated 49 C.F.R. § 192.747(a) by failing to check and service each valve which may be necessary for the safe operation of a distribution system, at intervals not exceeding 15 months but at least once each calendar year. Specifically, the Notice alleged that during the inspection, the PSU Supervisor provided documentation for emergency valve inspections conducted in 2010 and 2011, and the PHMSA inspector identified the following inspection intervals:

- Valve Poultry Building – 7/20/2010 to 11/17/2011 (15 months and 28 days)
- Valve Academic Activities – 6/25/2010 to 11/30/2011 (17 months and 5 days)
- Valve Fox Hollow South – 6/10/2010 to 11/17/2011 (17 months and 7 days)
- Valve Shields – 7/22/2010 to 11/22/2011 (16 months)
- Valve Walker – 6/29/2010 to 11/22/2011 (16 months and 24 days)

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.747(a) by failing to check and service each valve which may be necessary for the safe operation of a distribution system, at intervals not exceeding 15 months but at least once each calendar year.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1-5 in the Notice for violations of 49 C.F.R. §§ 192.303, 192.355, 192.465, and 192.603, respectively. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 192.303 (**Item 1**), Respondent must develop written procedures, consistent with the requirements in Part 192, for performing construction activities on the gas piping systems. The procedures must include

reference to specific industry standards that are to be applied in this system. Procedures must be submitted within 120 days from the date of the Final Order.

2. With respect to the violation of § 192.355 (**Item 2**), Respondent must re-evaluate the regulator vent placement at all locations throughout the gas piping system and correct all deficiencies identified, including the locations outlined in Item 2 of this Order. The evaluation, including all remediation, must be completed within 120 days from the date of the Final Order.

3. With respect to the violation of § 192.465 (**Item 3**), Respondent must develop procedures to address the requirements of 192.465(a). The procedures must include:

- A methodology for determining locations for monitoring
- Guidance to personnel performing the monitoring, and
- Documentation requirements

PSU must perform a survey on their gas piping system in accordance with the procedures developed. Procedures must be submitted to the PHMSA Eastern Director for review/approval within 90 days from the date of the Final Order. Survey work must be completed within 90 days following PHMSA's review/approval of the procedures.

4. With respect to the violation of § 192.465 (**Item 4**), Respondent must re-test and remediate (as necessary) all identified locations in this Final Order. All testing and remediation must be completed within 180 days from the date of the Final Order.

5. With respect to the violation of § 192.603 (**Item 5**), Respondent must review their procedure manual for operations, maintenance and emergencies and create a record to demonstrate compliance. The review must be completed within 120 from the date of the Final Order.

6. It is requested (not mandated) that PSU maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Byron Coy, Director, Eastern Region, PHMSA OPS. 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.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

WARNING ITEMS

With respect to Items 6 and 7, the Notice alleged probable violations of Part 192 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 192.605 (**Item 6**) — Respondent’s alleged failure to follow its own manual for operations and maintenance activities; and

49 C.F.R. § 192.747 (**Item 7**) — Respondent’s alleged failure to check and service each valve which may be necessary for the safe operation of a distribution system, at intervals not exceeding 15 months but at least once each calendar year.

If OPS finds a violation of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

Under 49 C.F.R. § 190.243, Respondent has a right to submit a Petition for Reconsideration of this Final Order. The petition must be sent to: Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. PHMSA will accept petitions received no later than 20 days after receipt of service of this Final Order by the Respondent, provided they contain a brief statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. Unless the Associate Administrator, upon request, grants a stay, the terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued