



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
and
PROPOSED CIVIL PENALTY**

OVERNIGHT EXPRESS MAIL

October 2, 2014

Mr. Joe R. Neave
VP, Safety and Regulatory Compliance
Transcontinental Gas Pipe Line Company
2800 Post Oak Blvd
Houston, TX 77056

CPF 1-2014-1009

Dear Mr. Neave:

From June 2, 2013 through October 24, 2013, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) and the NYSDPS, pursuant to Chapter 601 of 49 United States Code inspected Transcontinental Gas Pipe Line Company's (Transco) procedures and records for PHMSA System 1287.

As a result of the inspections, 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. §192.745 Valve maintenance: Transmission lines**
 - (a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.**

Transco failed to partially operate each transmission line valve that might be required during any emergency at intervals not exceeding 15 months, but at least once each calendar year.

Specifically, Transco's failed to operate five valves in the Linden Unit 15121 and four valves in the New York Area-NY unit that might be used in an emergency per 192.745(a). The valves in the Linden Unit were not partially or fully operated during calendar years 2011 and 2012 and the valves in the New York Area – NY Unit 65651 were not partially or fully operated during calendar year 2012.

Transco form WGP-0131 shows no evidence that Transco partially operated valves J 460, J 462, J 463, J 465 and J 466 at Station 205 of Unit 15121 Linden – NJ/PA in 2011 and 2012. On the inspection forms dated 6/23/2011 and 5/24/2012, there is no entry in the Partial/Full Valve Operation column for the five valves referenced above. Other valves shown on the form annotate a "P" or an "F" indicating either partial or full operation.

Transco form WGP-0131 shows no evidence that Transco partially operated valves M-4, M-6, M-8 and M-10 at the Manhattan M&R Station of Unit 65651 New York Area - NY in 2012. On the inspection form dated 4/12/2012, a dash (-) is present in the Partial/Full Valve Operation column for these valves. Other valves shown on the form annotate a "P" or an "F" indicating either partial or full operation. Records show that the valves were operated on 4/6/11 and 4/8/13.

2. §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.

Transco failed to accurately maintain a record of each inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition did not exist.

Specifically, Transco failed to accurately complete its WGP Pipeline Inspection and Repair Report form, WGP-0092, in that the form showed contradictory data for the replacement of pipe.

Transco indicated sections of Line B between ST 1762+05 and ST 1761+80 and between ST 1754+67 and ST 1754+92 were replaced in 9/12/12 in District 515, Princeton Division. Section 8 of Transco's form WGP 0092 indicated that the pipe was not cut and that no internal corrosion was found. Transco's records were incomplete and contradictory for the replacement of pipe and thus do not meet requirements of 192.491(c).

3. §192.605 Procedural manual for operations, maintenance, and emergencies

Each operator shall include the following in its operating and maintenance plan:

(a) General. 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 one 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.

Transco failed to follow a manual of written procedures for conducting maintenance activities.

Specifically, Transco failed to follow its Physical Security Standards, Security Conditions and Response Measures (Revision 09 and 12/31/2012), Section IV Minimum Physical Security Requirements – Standard Facilities, Part 3 Emergency Valves in maintaining its fencing without underlying gaps caused by soil erosion or other factors.

Transco's fencing in Plant A Tap in the Linden –NJ/PA unit had 10 inch clearance between the bottom of the fence and gravel.

4. §192.709 Transmission lines: Record keeping.

Each operator shall maintain the following records for transmission line for the periods specified:

(c) A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer.

Transco failed to maintain adequate records of leakage survey for transmission lines required by subpart M of this part.

Specifically, on Transco's WGP-0045 (12/2012) form, Transco incorrectly checked off that it conducted leakage surveys of un-odorized gas. However, Transco only transports odorized gas in the area that the record referenced.

Proposed Civil Penalty

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 violations and has recommended that you be preliminarily assessed a civil penalty of \$56,800 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$56,800

Warning Items

With respect to items 2, 3 and 4 we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct these items. Failure to do so may result in additional enforcement action.

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. All material submit in response to this enforcement action may be 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 1-2014-1009** 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.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

Byron Coy, PE
Director, PHMSA Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: Kevin Speicher - NYSDPS