

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

October 31, 2016

Mr. Gary Buchler
Chief Operating Officer, Natural Gas Pipelines
Tennessee Gas Pipeline Company
1001 Louisiana Street, Suite 1000
Houston, Texas 77002-5089

CPF 1-2016-1010W

Dear Mr. Buchler:

On September 3, 2015, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Tennessee Gas Pipeline Company's (Tennessee Gas) Compressor Station (CS 323A) in Hawley, Pennsylvania.

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

1. **§192.735 Compressor stations: Storage of combustible materials**
 - (a) **Flammable or combustible materials in quantities beyond those required for everyday use, or other than those normally used in compressor buildings, must be stored a safe distance from the compressor building.**

Tennessee Gas failed to store flammable or combustible materials in quantities beyond those required for everyday use, or other than those normally used in compressor buildings, at a safe distance from the compressor building.

During the inspection at CS 323A on September 3, 2015, the PHMSA inspector observed 2 cans of flammable fluids (Scotchkote Part A, 5.9 lb. and Scotchkote Part B, 2.8 lb.) stored in a steel

flammable fluid cabinet inside the compressor building. On the reverse side of each can, it stated “Caution-Keep away from sources of ignition-No Smoking.”

The PHMSA inspector indicated that the material should not be stored in the compressor building. Tennessee Gas stated that the material was used for touch up of coating on piping in the compressor station, and that it would be removed from the compressor room.

Evidence is based on photos taken at the site, a review of Procedure 119 – Flammable and Combustible Storage dated 11/1/2014 and material safety data sheets for SCOTCHKOTE 323 Patch Compound, Brush Grade, and HSS 450 Spray System - Parts A and B, which both have Flash Points greater than 200 degrees F, and are thus combustible per O&M 119 Section 3 - Paragraph. 3.2.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day that the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violations occurring between January 4, 2012 to August 1, 2016, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$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. 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 correct the item identified in this letter. Failure to do so will result in Tennessee Gas being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 1-2016-1010W**. 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).

Sincerely,

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