



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste 600
Atlanta, GA 30303

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 18, 2007

Mr. Walter Ferguson
Senior Vice President
CenterPoint Energy Gas Transmission
1100 Louisiana Street, Suite 1120
Houston, Texas 77002

CPF 2-2007-1007W

Dear Mr. Ferguson:

On September 25 – 28, 2006, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your records in Wynne, Arkansas and pipeline facilities in Arkansas, Tennessee, and Mississippi.

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

§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.

§192.481 Atmospheric corrosion control: Monitoring

(a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months
Offshore	At least once each calendar year, but with intervals not exceeding 15 months

CenterPoint did not have a record of an atmospheric corrosion inspection of the aboveground piping at the Helena, Arkansas compressor station within the required inspection period at the time of the inspection. The last documented atmospheric corrosion inspection of Helena Compressor Station's above ground piping was on February 20, 2003 which exceeded the required interval by 4 months and 15 days on September 25, 2006. CenterPoint's procedures specify that the compressor station aboveground yard piping will be inspected annually during the annual block valve maintenance, the block valve maintenance records did not document an atmospheric corrosion inspection.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violations persists up to a maximum of \$1,000,000 for any 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(s) identified in this letter. Be advised that failure to do so will result in CenterPoint 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 2-2007-1007W**. 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,



Linda Daugherty
 Director, Southern Region
 Pipeline and Hazardous Materials Safety Administration