

DEC 28 2009

Mr. Bill Cope
Vice President, Eastern Pipeline Operations
Southern Natural Gas Company
an El Paso Company
P.O. Box 2563
Birmingham, AL 35202-2563

RE: CPF 2-2007-1018

Dear Mr. Cope:

Enclosed is the Final Order issued in the above-referenced case. It makes findings of violation and finds that Southern Natural Gas Company has completed the actions specified in the Notice required to comply with the pipeline safety regulations. This case is now closed. Your receipt of the Final Order constitutes service of that document 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: Kenneth Peters, Manager-DOT Compliance Services, Southern Natural Gas
Linda Daugherty, Director, Southern Region, PHMSA

CERTIFIED MAIL - RETURN RECEIPT REQUESTED [7005 0390 0005 6162 5289]

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

In the Matter of)	
)	
Southern Natural Gas Company, an El Paso Company)	CPF No. 2-2007-1018
)	
Respondent.)	
)	

FINAL ORDER

Between October 10, 2006 and December 1, 2006, 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 Southern Natural Gas Company (Southern Natural or Respondent)'s facilities in Mississippi and Alabama and reviewed records at the offices in Heidelberg and Columbus, Mississippi and Tarrant and Elmore, Alabama. Southern Natural Gas, a subsidiary of El Paso Corporation, is based in Birmingham, Alabama and transports natural gas through 8,000 miles of pipeline within the Southeast region of the United States. As a result of the inspection, the Director, Southern Region, OPS, issued to Respondent, by letter dated October 31, 2007, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent committed violations of 49 C.F.R. Part 192. The Notice also proposed ordering Respondent to take certain measures to correct the alleged violations.

In a letter dated December 3, 2007, Respondent requested a 30-day extension of time to respond to the Notice. Respondent was granted an extension until January 18, 2008 to respond to the Notice. Southern Natural Gas responded to the Notice by letters dated January 17, 2008 and August 1, 2008 (Response). Respondent did not contest the allegations of violation but offered an explanation and provided information concerning the corrective actions it has taken. Respondent did not request a hearing, and therefore has waived its right to one.

FINDINGS OF VIOLATION

In its Response, Southern Natural Gas 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. §192.195(a), which states:

§ 192.195 Protection against accidental overpressuring.

(a) General requirements. Except as provided in §192.197, each pipeline that is connected to a gas source so that the maximum allowable operating pressure could be exceeded as the result of pressure control failure or of some other type of failure, must have pressure relieving or pressure limiting devices that meet the requirements of §§192.199 and 192.201

§ 192.201 Required capacity of pressure relieving and limiting stations.

(a) Each pressure relief station or pressure limiting station or group of those stations installed to protect a pipeline . . . must be set to operate, to insure the following. . . .

(2) In pipelines other than a low pressure distribution system:

(i) If the maximum allowable operating pressure is 60 p.s.i. (414 kPa) gage or more, the pressure may not exceed the maximum allowable operating pressure plus 10 percent or the pressure that produces a hoop stress of 75 percent of SMYS, whichever is lower. . . .

The Notice alleged that Respondent's pressure limiting device located at the New Calera Tap facility did not meet the requirements of §192.195(a). The New Calera Tap, located at North Main Line milepost 300.513 and installed in 1997, does not have a pressure relieving or pressure limiting device that is set to operate at the pressure prescribed in §192.201(a)(2)(i). The North Main Line MAOP (525 psig) could be exceeded if the 16" check valve that isolates the 2nd North Main Line from the North Main Line was to catastrophically fail (*pressure control failure or of some other type of failure*). It is not uncommon for pressure in the 2nd North Main Line to reach 600 psig at this location.

Respondent's records indicate that pressure in the North Main Line at New Calera Tap is remotely monitored by Gas Control via SCADA and high pressure alarm(s). Also, Valve 4 at New Calera Tap can be closed remotely by Gas Control to isolate the 2nd North Main Line from the North Main Line. However, Valve 4 does not meet the requirements of §192.201(a)(2)(i) in that the valve is not set to operate at the pressure prescribed in §192.201(a); the valve can only be closed upon human action.

In its Response, Southern Natural Gas explained that it is taking steps to achieve compliance with facility modifications, which will take approximately six months to complete. Respondent advised it is reviewing its facilities¹ in PHMSA's Southern Region to determine where similar installations exist. Respondent advised that its review identified only one installation on its

¹Generally includes all SNG facilities except those located in Louisiana, Texas, and offshore Gulf of Mexico.

North Main Pipeline utilizing check valve to separate pipelines of differing MAOPs, the Roebuck Meter Station Tap, Milepost 328.854. Respondent explained that it will take six months for it to design and implement a viable alternative to achieve compliance. Respondent advised that it will notify PHMSA when facility remediation is complete, even without a compliance order.

Respondent requested that the proposed compliance order be rescinded. Respondent suggested that the proposed compliance order was unnecessary because of the remedial measures that it will take to accomplish the intent of the proposed compliance order. Respondent suggested that the proposed compliance order is overly burdensome relative to the scope of its remedial measures. Respondent also suggested that under these circumstances it is appropriate for it to act on good faith in lieu of the proposed order.

Contrary to Respondent's position, the purpose of the compliance order is to ensure and achieve compliance with the pipeline safety regulations applicable to its operations. Respondent has not prepared and submitted to PHMSA a written correction plan and schedule for a system-wide review to identify devices that are not designed to operate at a set pressure in accordance with 49 C.F.R. §§192.195(a) and 192.201(a)(2)(i). In its response, Respondent clearly states that its remedial measures "are expected to be completed within the next six months." Respondent has not demonstrated that the requirements in the proposed compliance order have been performed to ensure compliance with the pipeline safety regulations.

Respondent's New Calera Tap, located at North Main Line, does not have a pressure relieving or pressure limiting device that is set to operate at the pressure prescribed in §192.201(a)(2)(i). Catastrophic failure of the 16" check valve, without an immediate response from Gas Control to close Valve 4, could pressurize the North Main Line to a pressure significantly higher than the established MAOP, thus possibly reducing the safety margin that would be provided by a valve set to automatically close upon sensing a set pressure. Respondent does not have a pressure limiting or a pressure relieving device set to operate if the MAOP is 60 p.s.i. (414 kPa) gage or more, as the pressure may not exceed the maximum allowable operating pressure plus 10 percent or the pressure that produces a hoop stress of 75 percent of SMYS, whichever is lower. Accordingly, I find Respondent violated § 192.195(a) by failing to have a pressure limiting device located at the New Calera Tap facility meeting the requirements of § 192.201(a)(2)(i).

Item 5: The Notice alleged that Respondent violated 49 C.F.R. §192.739(a), which states:

§ 192.739 Pressure limiting and regulating stations: Inspection and testing.

(a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is--

(1) In good mechanical condition;

- (2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;**
- (3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of §192.201(a); and**
- (4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation....**

The Notice alleged that Respondent did not inspect and test its 16” check valve located between valve numbers 1 and 2 at New Calera Tap (MP 300.513 North Main Line, MP 178.016 2nd North Main Line), as required by §192.739(a). The check valve is considered by PHMSA to be a pressure limiting station because it effectively isolates the North Main Line (525 psig MAOP) from the 2nd North Main Line (750 psig MAOP), and could conceivably fail. It is not uncommon for pressure in the 2nd North Main Line to reach 600 psig at this location. The check valve should be inspected and tested at the referenced frequency, to ensure it operates and seals as designed (is in good mechanical condition), and is properly installed and protected. During the inspection, Respondent did not provide inspection and test records.

In its Response, Respondent explained that it is taking steps to achieve compliance with piping modifications, which will take approximately six months to complete. Respondent advised it has initiated a review of its facilities in PHMSA’s Southern Region to determine where similar installations exist. Respondent advised that its review found only one installation utilizing check valves to separate pipelines of differing MAOPs, the Roebuck Meter Station Tap, Milepost 328.854 on its North Main Pipeline. Respondent explained that it will take six months for it to design and implement a viable alternative to achieve compliance for the New Calera Tap.

Section 192.739(a) requires an operator, at specified intervals, to inspect and test each pressure limiting station, relief device, and pressure regulating station and its equipment to determine that the device is in good mechanical conditions, is adequate for the service for which it is used and set to control or relieve at correct pressure. Failure to insure that all relief devices are properly functioning creates the risk that one or all devices may not operate correctly in the event of an emergency. This regulation provides safety precautions that minimize the risk of accident or injury to human life, the environment and property during an emergency. Respondent did not inspect and test its 16” check valve within the required intervals to determine that the device is functioning properly. Accordingly, I find Respondent violated §192.739(a) by failing to inspect and test its 16” check valve within the required intervals to assure it operates and seals as designed (is in good mechanical condition) and is properly installed and protected.

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 regards to Items 1 and 5 in the Notice for violations of 49 C.F.R. Part 192.

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. In letter dated August 1, 2008, Southern Natural Gas Company indicated that it accomplished the remedial measures required by the proposed Compliance Order. The Director has indicated that Respondent has taken the following actions specified in the proposed compliance order:

1. In regard to Item Number 1 of the Notice pertaining to pressure relieving or pressure limiting devices required of §192.195(a), Southern Natural Gas (SNG) completed piping modifications to isolate check valves and prevent accidental over pressuring of pipelines with differing MAOPs. These modifications ensure over pressure protection is provided by the existing regulators and monitoring stations at the New Calera Tap location.
2. In regard to Item Number 5 of the Notice pertaining to the requirement to inspect and test check valves that operate in compliance with §192.739(a), SNG reviewed its system in the Southern Region and found one additional location where a check valve might have come into play in preventing an accidental over pressure situation with two pipelines of differing MAOPs. This facility is located at the Cartersville No. 2 Meter Station at Milepost 46.005 on SNG's Rome-Calhoun pipeline. SNG closed and locked the separating valve and eliminated dual feed capability at this station to ensure over pressure protection. If the other pipelines need additional gas supply, the valves will be manually controlled to ensure the two Rome-Calhoun pipelines remain isolated from each other.
3. SNG also modified the pressure controls at the Roebuck Meter Station Tap facility to prevent a pipeline with higher MAOP from releasing gas pressure into a pipeline of lower MAOP. Software logic was installed, tested and proven to perform as designed and will be tested once per calendar year not to exceed 15 months.
4. In accordance with §192.739(a), SNG has also completed a system wide review beyond the Southern Region and found no other situations where check valves were being used as primary over pressure protection devices.

Accordingly, since compliance has been achieved with respect to these violations, the compliance terms are not included in this Order.

WARNING ITEMS

With respect to Items 2, 3, and 4, 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. § 192.465(a) (Notice Item 2) — Respondent’s alleged failure to test the cathodically protected North Alabama Pipeline at least once each calendar year, but with intervals not exceeding 15 months between MP 32.216 and MP 122.175;

49 C.F.R. § 192.709 (c) (Notice Item3) — Respondent’s alleged failure to maintain records required by §192.709(c) relating to surveys performed in accordance with §§192.625 *Odorization of gas*, 192.705 *Transmission lines: Patrolling*, and 192.706 *Transmission lines: Leakage surveys*; and

49 C.F.R. § 192.731 (a) (Notice Item4) — Respondent’s alleged failure to adequately test the Gwinville Compressor Station high pressure shutdown devices (Unit nos. 10 and 12) at intervals not exceeding 15 months, as required by 192.731(a).

Respondent presented information in its Response showing that it had taken certain actions to address the cited items. Having considered such information, I find, pursuant to 49 C.F.R. § 190.205, that probable violations of 49 C.F.R. § 192.465(a) (Notice Item 2), 49 C.F.R. § 192.709(c) (Notice Item 3) and 49 C.F.R. § 192.731 (a) (Notice Item 4) have occurred and Respondent is hereby advised to correct such conditions. In the event that OPS finds a violation for any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order are effective upon receipt.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued