



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 3, 2008

Mr. Walter Ferguson
Senior Vice President
CenterPoint Energy
1111 Louisiana, Suite 1120
Houston, TX 77002

CPF 4-2008-1006W

Dear Mr. Ferguson

On June 25-29, September 24-28 and October 29 thru November 02, 2007 a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your AR, TX (Emmet Team and AR 4 (Eldorado Team) in Emmet and El Dorado, AR..

As a result of the inspection, it appears that you have committed probable violations as noted below of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

1. **§192.479 Atmospheric corrosion control: General**

- (a) **Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.**
- (b) **Coating material must be suitable for the prevention of atmospheric corrosion.**
- (c) **Except portions of pipelines in offshore splash zones or soil-to-air interfaces, the operator need not protect from atmospheric corrosion any pipeline for which the operator demonstrates by test, investigation, or experience appropriate to the environment of the pipeline that corrosion will-**
 - (1) **Only be a light surface oxide; or**
 - (2) **Not affect the safe operation of the pipeline before the next scheduled inspection.**

Extensive atmospheric corrosion was evident at several locations including:

1. Pipe supports on line AM 159 outlet meter tubes at Emmet Station.
2. MLV A1 at M.P. 63.59 (Bobo Valve Site).
3. Transition zone on discharge piping at Taylor Compressor Station.
4. MLV site A-3 at EOL LT1 and BOL AM45 and 129.
5. Block valve KM6 #41883.
6. Exposed pipe (approximately 60') in North El Dorado area.
7. Camden separator yard on pig trap pipe supports and at transition zone.
8. Cement pipe supports on line S at MLV #43830 & 43826 on North side of Little Missouri River.

2. **§192.317 Protection from hazards.**

(b) Each aboveground transmission line or main, not located offshore or in inland navigable water areas, must be protected from accidental damage by vehicular traffic or other similar causes, either by being placed at a safe distance from the traffic or by installing barricades.

CenterPoint Energy Gas Transmission does not have adequate distance from traffic or barricades around numerous main line valve sites and town border stations to prevent damage from outside forces or vandalism.

1. New boston town border station.
2. Kingsland town border station.
3. Fordyce town border station.
4. Main line bv km6, #41883.
5. East camden town border station.
6. KT-1 MLV @ K2H regular station.
7. KT-1 Parkers Chaple MLV, and RRE 440 station.
8. KT-1 Laney BV & Rectifier had no protective barrier.
9. HM 3 MLV @ Columbia Chemical station.
10. Quachita Power Plant meter station & relief valve.
11. Old Hamilton Plant regulator & meter station.
12. KM-19 BV to line 134 Jct.
13. Hope west town border station.
14. MLV SM-23 junction relief valve.

3. **§192.707 Line markers for mains and transmission lines.**

(a) Buried pipelines. Except as provided in paragraph (b) of this section, a line marker must be placed and maintained as close as practical over each buried main and transmission line:

- (1) At each crossing of a public road and railroad; and**

(2) Wherever necessary to identify the location of the transmission line or main to reduce the possibility of damage or interference.

CenterPoint Energy does not have an adequate number of pipeline markers along the right-of-way to clearly identify the location of the transmission line.

1. Line crossing at highway 53 right-of-way had no visible line markers except at each side of the road.
2. Kingsland Town Border Station's main line valve assembly is offset from main line with no offset directional markers.
3. Line crossing at highway RE 858 line markers not visible due to heavy growth on right-of-way.

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 violation 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. Failure to do so will result in CenterPoint Energy 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 4-2008-1006W**. 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,



R. M. Seeley
Director, Southwest
Pipeline and Hazardous
Materials Safety Administration