

**Before the  
U.S. Department of Transportation  
Pipeline and Hazardous Materials Safety Administration  
Office of Pipeline Safety**

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In the Matter of \_\_\_\_\_)  
\_\_\_\_\_)  
Florida Gas Transmission Company, LLC) \_\_\_\_\_)  
\_\_\_\_\_) \_\_\_\_\_)  
Respondent. \_\_\_\_\_)  
\_\_\_\_\_)

CPF No. 4-2013-1019  
Notice of Probable Violation

**RESPONSE TO NOTICE OF  
PROBABLE VIOLATION**

The Associate Administrator of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS or the Agency), issued a Notice of Probable Violation (NOPV) which included a Proposed Civil Penalty and Proposed Compliance Order, to the Florida Gas Transmission Company, LLC (FGT or the Company) that was received on November 22, 2013. The NOPV contained three (3) alleged violations of the federal pipeline safety regulations, proposed a civil penalty of one hundred ninety-seven thousand and two hundred dollars (\$197,200), and issued a Proposed Compliance Order with two (2) items. The pipeline subject to the NOPV is owned and operated by FGT.

The NOPV was issued following a rupture that occurred on FGT's 30 inch LAMEB-8 natural gas pipeline in East Baton Rouge, Louisiana on February 13, 2012. Without admitting the allegations, facts or conclusions set forth in the NOPV, FGT seeks a Hearing on the alleged violations, the amount of the Proposed Civil Penalty and the terms of the Proposed Compliance Order. The Company's response to the elements of the NOPV, the Proposed Civil Penalty and the Proposed Compliance Order is set forth below.

**I. Alleged Probable Violations**

**ITEM 1: Alleged Failure to Provide Immediate Notice to the NRC, 49 C.F.R. Part 191.5; issued as a Warning Item.**

*Summary of Allegation:* Item 1 of the NOPV alleges, pursuant to 49 C.F.R. Part 191.5(a), that FGT did not notify the National Response Center (NRC) at the earliest practical moment following discovery of a rupture on the LAMEB-8 30" pipeline on February 13, 2012.

*FGT Response:* As required by PHMSA regulation, FGT reported the incident to the NRC at 5:14 am, the earliest practicable moment following confirmation that a reportable incident under 49 C.F.R. Part 191.3 had occurred. As such, FGT respectfully requests that Item 1 of the NOPV be withdrawn.

**ITEM 2: Alleged Failure to Maintain Adequate Cathodic Protection; 49 C.F.R. Part 192.463; \$158,400 proposed civil penalty.**

*Summary of Allegation:* PHMSA alleges in Item 2 of the NOPV that FGT did not maintain adequate cathodic protection on its LAMEB-8 pipeline downstream of the Zachary Compressor Station.

*FGT Response:* In order to assess the adequacy of cathodic protection on the LAMEB-8 pipeline following the incident on February 13, 2012, the Company conducted additional close interval survey monitoring. As a result of increased monitoring, in August of 2012, FGT identified low potentials below -850 mV at two locations: downstream of the Deerford Tap test station, and in the vicinity of the Big Mac Rectifier test station. After analyzing the data and conducting further monitoring, the Company installed two new ground beds and rectifiers in April of 2013 to increase the level of cathodic protection supplied to this area of the pipeline.

Given the fact that FGT was in the process of conducting additional cathodic protection monitoring and installing new ground beds and rectifiers more than a year before this NOPV issued, the Company believes that the proposed civil penalty in this instance is not supported by applicable law, and does not take into account the additional cooperative mitigative efforts undertaken by the Company in responding to the incident, including good faith in attempting to achieve compliance. 49 U.S.C. 60122; 49 C.F.R. Part 190.225. The Company respectfully requests that penalty be reduced accordingly.

**ITEM 3: Alleged Failure to Maintain Adequate Cathodic Protection Test Stations; 49 C.F.R. Part 192.469; \$38,800 proposed civil penalty.**

*Summary of Allegation:* Item 3 of the NOPV alleges that FGT did not maintain sufficient test stations to measure the adequacy of cathodic protection on the LAMEB-8 pipeline.

*FGT Response:* The Company maintains sufficient test stations to determine the adequacy of cathodic protection as required under 49 C.F.R. 192.469. As explained in PHMSA guidance, the spacing of test stations will "vary widely" depending upon the local conditions including soil type, moisture, quality of pipe coating, size of pipe, type of cathodic protection system, and level of cathodic protection. *PHMSA Part 192 Corrosion Control Enforcement Manual, p. 86 (rev. Jan. 22, 2013) citing PHMSA Interpretation PI-ZZ-088 (Aug. 4, 1983).* As such, the distance between test stations must be based on the judgment of a qualified corrosion control employee for the specific installation and conditions. *Id.* Further,

the basis for this allegation is the low potentials that were identified at two locations, which are the same allegations that PHMSA relies upon to support the basis for the allegation of inadequate cathodic protection in Item 2. For all of these reasons, FGT respectfully requests that Item 3 of the NOPV be withdrawn.

## **II. Proposed Civil Penalty**

The NOPV proposes a civil penalty \$158,400 associated with Item 2 and a civil penalty of \$38,800 associated with Item 3. For the reasons noted in this Response, FGT respectfully requests that the Proposed Civil Penalty associated with Item 2 be reduced to reflect penalty consideration and mitigation factors established by statute, regulation and precedent. In addition, the Company respectfully requests that Proposed Civil Penalty associated with Item 3 be withdrawn.

## **III. Proposed Compliance Order**

The NOPV proposed a Compliance Order that includes two items associated with Item 3 of the NOPV. As noted above, FGT believes it has adequate stations in place. Further, because of the Company's ongoing actions under the open Safety Order CPF 4-2012-1001S for the incident giving rise to the NOPV, as well as the fact that operators have flexibility to address low potentials in a variety of manners (additional ground beds, rectifiers, test stations), FGT respectfully requests that the Proposed Compliance Order be withdrawn. Alternatively, because the underlying issue is adequate cathodic protection, the Proposed Compliance Order should be modified to require a review of the cathodic protection on the pipeline to determine the appropriate means for ensuring adequate cathodic protection, whether by installing additional ground beds, rectifiers or test stations, in compliance with applicable regulations.

## **IV. Conclusion**

For the reasons discussed above and in the related Statement of Issues, including the fact that FGT has cooperated with PHMSA from the occurrence of this incident, and other matters as justice may require, the Company respectfully requests that PHMSA withdraw Items 1 and 3 of the NOPV, including the Proposed Civil Penalty associated with Item 3 and the Proposed Compliance Order. In addition, the Company requests that the Agency reduce the amount of the civil penalty associated with Item 2 of the NOPV.

Respectfully submitted,



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**FLORIDA GAS TRANSMISSION  
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