



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

400 Seventh Street, S.W.
Washington, D.C. 20590

MAY - 4 2005

Mr. Robert Purgason
Vice President
WFS - NGL Pipeline Company
One Williams Center, 35th Floor
Tulsa, OK 74172

RE: CPF No. 2-2002-5014

Dear Mr. Purgason:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes a finding of violation and assesses a civil penalty of \$20,000. I acknowledge receipt of, and accept WFS - NGL Pipeline Company, William Energy Service's, payment dated June 28, 2002, in the amount of \$20,000 as payment in full of the civil penalty assessed against Respondent in the Final Order. This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

cc: Mr. Michael C. Pearson, PE, Williams Energy Services
Ms. Linda Daugherty, Director, OPS Southern Region

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590**

In the Matter of)

WFS - NGL PIPELINE COMPANY)

Respondent.)

CPF No. 2-2002-5014

FINAL ORDER

During May 6-10, 2002, pursuant to 49 U.S.C. § 60117, representatives of the Office of Pipeline Safety (OPS), Southern, conducted an inspection an on-site pipeline safety inspection of WFS - NGL Pipeline Company, Williams Energy Services, facilities in Alabama and Mississippi and records in Coden, Alabama. As a result of the inspection, the Director, Southern Region, OPS, issued to Respondent, by letter dated May 30, 2002, a Notice of Probable Violation and Proposed Civil Penalty (Notice)¹. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had committed a violation of 49 C.F.R. § 195.420(b) and proposed assessing a civil penalty of \$20,000 for the alleged violation.

Respondent responded to the Notice by letter dated June 24, 2002 (Response). Respondent did not contest the allegation of violation or proposed civil penalty. Respondent did not request a hearing, consequently Respondent waived its right to one.

FINDINGS OF VIOLATION

Uncontested

Respondent did not contest the alleged violation of §195.420(b), in the Notice. Accordingly, I find that Respondent violated 49 C.F.R. Parts 195, as more fully described in the Notice:

49 C.F.R. §195.420(b)– failure to inspect each mainline valve to determine that they are functioning properly at intervals not exceeding 7½ months, but at least twice each calendar year.

This case, however, is no longer before RSPA for decision. Effective February 20, 2005, the Pipeline and Hazardous Materials Safety Administration (PHMSA) was created to further the highest degree of safety in pipeline transportation and hazardous materials transportation. See, section 108 of the Norman Y. Mineta Research and Special Programs Improvement Act (Public Law 108-426, 118 Stat. 2423-2429 (November 30, 2004)). See also, 70 Fed. Reg. 8299 (February 18, 2005) re delegating the pipeline safety functions to the Administrator, PHMSA.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed \$100,000 per violation for each day of the violation up to a maximum of \$1,000,000 for any related series of violations.

49 U.S.C. § 60122 and 49 C.F.R. § 190.225 require that, in determining the amount of the civil penalty, I consider the following criteria: nature, circumstances, and gravity of the violation, degree of Respondent's culpability, history of Respondent's prior offenses, Respondent's ability to pay the penalty, good faith by Respondent in attempting to achieve compliance, the effect on Respondent's ability to continue in business, and such other matters as justice may require.

The Notice proposed a total civil penalty of \$20,000 for violation of 49 CFR §195.420(b), as Respondent failed to inspect each mainline valve to determine that they are functioning properly at intervals not exceeding 7½ months, but at least twice each calendar year. Respondent did not contest the violation or the civil penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$20,000, already paid by the Respondent.

WARNING ITEM

The Notice did not propose a civil penalty or corrective action for Items 1 and 2 but warned Respondent that it should take appropriate corrective action to correct the items. Respondent presented information in its response showing that it has addressed the cited items. Respondent is again warned that if OPS finds a violation in a subsequent inspection, enforcement action will be taken.

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

for


Stacey Gerard
Associate Administrator
for Pipeline Safety

MAY - 4 2005

Date Issued