



U.S. Department of Transportation
Pipeline and Hazardous Material
Safety Administration

1200 New Jersey Ave, S.E.
Washington, D.C. 20590

JAN 6 2009

Mr. Vern Meier
Vice President, Field Operations
ANR Pipeline Company
717 Texas Avenue
Houston, TX 77002

RE: CPF No. 2-2004-1004

Dear Mr. Meier:

Enclosed is the Final Order issued by Pipeline and Hazardous Materials Safety Administration in the above-referenced case. It makes a finding of violation and assesses a civil penalty of \$5,000. I acknowledge receipt of your payment of \$5,000 and accept it as payment in full of the penalty. 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,

for
Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Linda Daugherty, Director, Southern Region, PHMSA

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.745(a), which states:

§ 192.745 Valve maintenance: Transmission lines.

(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year....

The Notice alleged that during 2001 and 2002, ANR failed to inspect and partially operate, within the required interval, 18 line valves that might be used in emergencies. The valves and inspection dates were as follows:

<u>VALVE</u>	<u>2001 INSPECTION</u>	<u>2002 INSPECTION</u>	<u>EXCEEDS 15 MONTHS BY:</u>
501-30-11	08/21/2001	12/27/2002	1 month, 6 days
501-30-12	08/21/2001	12/27/2002	1 month, 6 days
501-30-13	08/21/2001	12/27/2002	1 month, 6 days
501-30-C	08/21/2001	12/27/2002	1 month, 6 days
501-30-D	08/21/2001	12/27/2002	1 month, 6 days
501-30-21	08/21/2001	12/27/2002	1 month, 6 days
501-30-22	08/21/2001	12/27/2002	1 month, 6 days
501-30-A	08/21/2001	12/27/2002	1 month, 6 days
501-30-B	08/21/2001	12/27/2002	1 month, 6 days
501-30-32	08/21/2001	12/27/2002	1 month, 6 days
501-30-F	08/21/2001	12/27/2002	1 month, 6 days
501-30-17	08/21/2001	12/27/2002	1 month, 6 days
501-30A-3	08/21/2001	12/27/2002	1 month, 5 days
501-30A-A	08/21/2001	12/27/2002	1 month, 5 days
501-30A-B	08/21/2001	12/27/2002	1 month, 5 days
501-30-A-18	08/21/2001	12/27/2002	1 month, 5 days
501-30A-19	08/21/2001	12/27/2002	1 month, 5 days
501-30-E	08/21/2001	12/27/2002	1 month, 5 days.

In its Response, ANR did not contest the allegation but indicated that it had examined its maintenance scheduling practices and would implement two processes to ensure that similar violations would not occur in the future. The first would revise the company's work orders to size them more properly to reflect the actual work being performed. In the alternative, the company would implement other appropriate steps tailored to specific location conditions.

Valve inspections at the required time intervals are essential in order for operators to know that their pipeline equipment is functioning properly and its integrity is not compromised. After considering all of the evidence, I find that Respondent violated 49 C.F.R. § 192.745(a) by failing to inspect the valves listed above at intervals not exceeding 15 months, but at least once each calendar year.

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 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, including adverse impact on the environment; degree of Respondent's culpability, the history of Respondent's prior offenses, Respondent's ability to pay the penalty, and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require.

Item 1 of the Notice proposed a civil penalty of \$5,000 for violation of 49 C.F.R. § 192.745(a). As noted above, Respondent failed to inspect and partially operate 18 of its line valves that might be used in emergencies within the required intervals between August 2001 and December 2002. ANR did not contest the allegation but provided certain information about corrective actions it had taken to prevent future violations.

The inspection requirements set forth in § 192.745(a) are designed to reduce the risk of accident and injury to human life, the environment, and property in the event of pipeline emergencies. Inoperative or malfunctioning valves may delay appropriate emergency response, thereby exposing the public and the environment to greater risks of injury and damage. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$5,000, which Respondent has already remitted to PHMSA.

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

William H. Wiese

for

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

JAN 6 2009

Date Issued