

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 21, 2010

Mr. Dwayne Burton, V.P. Pipeline Operations
Natural Gas Pipeline Company of America
500 Dallas, Suite 1000
Houston, Texas 77002

CPF 3-2010-1007W

Dear Mr. Burton:

On June 23, 2010, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Horizon (NGPL) Unit in Chicago, Illinois.

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

- 1. §192.605 Procedural manual for operations, maintenance, and emergencies.**
 - (a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.**

Natural Gas Pipeline Company of America (NGPL) did not follow its manual of written procedures when conducting checks of odorant levels in their pipeline.

NGPL uses a Heath Consultants Odorator to check the odorant levels at several places along their pipeline. During the field inspection, a technician demonstrated the use of the Odorator. The demonstration and odor levels detected were adequate, but the instrument was last calibrated in 2007. NGPL procedures (O&M 1860) indicate that they will follow the manufacturer's recommendations for equipment maintenance, and the Heath Consultants manual specifies annual factory calibration.

2. §192.605 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.

Natural Gas Pipeline Company of America (NGPL) did not follow its manual of written procedures when they constructed a new above ground delivery station.

A newly constructed delivery station (139th Street Station) was enclosed in fencing but had no signs of any kind. NGPL procedures for above ground facilities (O&M 205) call for a minimum of a sign containing the company name, logo, and emergency numbers.

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

(c) Pipelines above ground. Line markers must be placed and maintained along each section of a main and transmission line that is located above ground in an area accessible to the public.

NGPL did not place line markers at all above ground facilities in areas accessible to the public. One above ground facility – the Horizon tap off the Volo system – was not fenced and had no markers of any kind.

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 items identified in this letter. Failure to do so will result in Natural Gas Pipeline Company of America 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 3-2010-1007W**. 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,

David Barrett
Director, Central Region
Pipeline and Hazardous Materials Safety Administration