



U.S. Department
Of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

WARNING LETTER

EXPRESS OVERNIGHT DELIVERY

August 8, 2013

Mr. Barry Cigich, VP Ops & Engineering
Inergy Midstream.
Two Brush Creek Boulevard, Suite 200
Kansas City, MO 64112

CPF 1-2013-1012W

Dear Mr. Cigich:

From March 26-30, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the Central New York Oil and Gas (CNYOG) pipeline facilities' (a subsidiary of Inergy Midstream), procedures and records in Bradford County, PA, and Owego, NY.

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. §192.709 Transmission lines; record keeping.

Each Operator shall maintain the following records for transmission lines for the period specified:

(c) A record of each patrol, survey, inspection, and test required by subparts I and M of this part for at least 5 years or until the next patrol, survey, inspection or test is completed, whichever is longer.

CNYOG failed to maintain a record of leak surveys conducted on the pipeline for 2009 and 2010 as required by §192.706. Pursuant to §192.706, leakage surveys of a transmission line must be conducted at intervals not exceeding 15 months, but at least once each calendar year.

The PHMSA inspector requested leakage survey inspection records for the period 2008-2011. CNYOG produced records for 2007 and 2011, but not for 2009 and 2010. This finding was discussed with the operator during the exit interview on 3/29/2012.

CNYOG remarked that they were sure that the survey was done, but the employee who conducted the inspection has since been seriously ill and incapacitated; and the records could not be retrieved.

2. §192.491 Corrosion control records.

(c) Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained for at least 5 years, except that records related to §192.465 (a) and (e) and 192.475(b) must be retained for as long as the pipeline remains in service.

CNYOG failed to maintain records of annual cathodic protection surveys as required by §192.491(c) for 2009, for each test, or inspection required by §192.465(a).

The PHMSA inspector asked CNYOG to provide annual cathodic protection (CP) survey records, but CNYOG could only provide records for 2010 and 2011. This finding was discussed with CNYOG in the exit interview on 3/29/2012.

3. §192.709 Transmission lines; record keeping.

**Each Operator shall maintain the following records for transmission lines for the period specified:
(c) A record of each patrol, survey, inspection, and test required by subparts I and M of this part for at least 5 years or until the next patrol, survey, inspection or test is completed, whichever is longer**

CNYOG failed to maintain valve inspection records for 2009 and 2010 as required by §192.709(c), for each test, and inspection required by §192.745(a).

The PHMSA inspector asked CNYOG to provide the annual valve inspection records, but CNYOG could only provide records for 2011. This finding was discussed with CNYOG in the exit interview on 3/29/2012.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a 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 CNYOG being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence on this matter, please refer to **CPF 1-2013-1012W** and for each document you submit, please provide a copy in electronic format whenever possible. Smaller files may be emailed to Byron.Coy@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

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,

Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration