

MAY 29, 2013

Mr. Rolf A. Gafvert
President
Texas Gas Transmission, LLC
3800 Frederica Street
Owensboro, KY 42301

Re: CPF No. 4-2012-1021

Dear Mr. Gafvert:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and assesses a civil penalty of \$100,000. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated January 18, 2013. This enforcement action is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Richard Keyser, Senior VP Operations, Texas Gas Transmission LLC,
9 Greenway Plaza, Suite 2800, Houston, TX 77046
Mr. R.M. Seeley, Director, Southwest Region, OPS
Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, OPS

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

)	
In the Matter of)	
)	
Texas Gas Transmission, LLC,)	CPF No. 4-2012-1021
)	
Respondent.)	
)	

FINAL ORDER

On August 4, 2009, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), initiated an investigation of an incident involving the pipeline system of Texas Gas Transmission, LLC (Texas Gas or Respondent). Texas Gas, a subsidiary of Boardwalk Pipeline Partners, LP, operates approximately 6,100 miles of natural gas pipelines from the Gulf of Mexico to the Midwest and Northeast.¹

The investigation arose out of an incident on Respondent's Roanoke-Grand Chenier 20" pipeline, near Grand Chenier, Louisiana. On August 4, 2009, a pinhole leak occurred on the 20" pipeline, resulting in a release of natural gas. Texas Gas submitted an incident report, dated August 31, 2009, that indicated the apparent cause of the failure as internal corrosion. No property damage or injuries resulted from the incident.

As a result of the investigation, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated December 19, 2012, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Texas Gas had violated 49 C.F.R. § 192.605(a) and proposed assessing a civil penalty of \$100,000 for the alleged violation. The Notice also included a warning item that required no further action, but warned the operator to correct the probable violation or face future potential enforcement action.

Texas Gas responded to the Notice by letter dated January 18, 2013 (Response). The company did not contest the allegation of violation and paid the proposed civil penalty of \$100,000, as provided in 49 C.F.R. § 190.227. Payment of the penalty serves to close the case with prejudice to Respondent.

¹ <http://www.txgt.com/AboutUsTXGT.aspx> (last accessed on March 13, 2013).

FINDING OF VIOLATION

In its Response, Texas Gas did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192.605(a), as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.605, which states in relevant part:

§ 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.

The Notice alleged that Respondent violated 49 C.F.R. § 192.605(a) by failing to follow its own written corrosion control procedures for monitoring internal corrosion on its Roanoke-Grand Chenier 20” pipeline system, in accordance with 49 C.F.R. § 192.475.² Specifically, the Notice alleged that Texas Gas failed to follow its own Corrosion Control Procedures, OM.20.11.01.06 and Internal Corrosion Manual³, which requires operational dead legs⁴ be flushed when possible, as the settling of water in dead legs and low points may lead to internal corrosion. During the investigation, the OPS inspector discovered that Texas Gas had also failed to follow Procedures, OM.20.11.01.06, by not monitoring chemical injections for internal corrosion. Respondent had one probe on the upstream section of the pipeline and had not injected inhibitor⁵ in the pipeline since April 2004.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.605(a) by failing to follow its own written corrosion control procedures for monitoring internal corrosion on its Roanoke-Grand Chenier 20” pipeline system.

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 an administrative 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

² § 192.475 Internal corrosion control: General.

(a) Corrosive gas may not be transported by pipeline, unless the corrosive effect of the gas on the pipeline has been investigated and steps have been taken to minimize internal corrosion.

³ Pipeline Safety Violation Report (Dec. 19, 2012) (on file with PHMSA), Exhibit A.

⁴ Dead legs are parts of the pipeline system that experience low or no flow, where liquids can collect within the pipeline and could result in failures because of internal corrosion.

⁵ An inhibitor is a substance that, when added in small concentrations, decreases the effective corrosion rate.

related series of violations. In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; the 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 the 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. The Notice proposed a total civil penalty of \$100,000 for the violations cited above.

Item 1: The Notice proposed a civil penalty of \$100,000 for Respondent's violation of 49 C.F.R. § 192.605(a), for failing to follow its own written corrosion control procedures for monitoring internal corrosion on its Roanoke-Grand Chenier 20" pipeline system, in accordance with 49 C.F.R. § 192.475(a). Pipeline safety regulations require an operator to follow its own written corrosion control procedures for monitoring internal corrosion and to take action to prevent corrosion by the use of inhibitors in the gas, the use of cleaning pigs, the removal of liquids and solids from drips, and monitoring of contaminants. The evidence shows that Respondent is fully culpable for failing to follow its procedures, which could have resulted in serious safety and environmental consequences. Respondent did not contest the allegation. Texas Gas paid the proposed penalty for the alleged violation, which serves to close this Item with prejudice. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$100,000, which amount has already been paid by Respondent for violation of 49 C.F.R. § 192.605(a).

WARNING ITEM

With respect to Item 2, the Notice alleged probable violations of Part 192 but did not propose a civil penalty or compliance order for this item. Therefore, this is considered to be a warning item. The warning was for:

49 C.F.R. § 192.605(b)(2) (**Item 2**) - Respondent's alleged failure to have maintenance and operations procedures for monitoring low flow or no flow pipelines for internal corrosion.

Texas Gas presented information in its Response showing that it had taken certain actions to address the cited items. If OPS finds a violation of this provision, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued