

DECEMBER 29, 2014

Mr. David L. Porges
Chairman, President & CEO
EQT Midstream Partners, LP
625 Liberty Avenue
Suite 1700
Pittsburgh, PA 15222

Re: CPF No. 1-2014-1007

Dear Mr. Porges:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation, assesses a civil penalty of \$28,800, and specifies actions that need to be taken by EQT Midstream Partners, LP, a subsidiary of EQT Corporation, to comply with the pipeline safety regulations. This is to acknowledge receipt of payment of the full penalty amount by wire transfer, dated July 31, 2014. When the terms of the compliance order have been completed, as determined by the Director, Eastern Region, this enforcement action will be 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. Byron Coy, P.E., Director, Eastern Region, OPS
Mr. Robert Cooper, Vice President of Engineering, EQT Midstream Partners, LP

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)	
)	
EQT Midstream Partners, LP,)	CPF No. 1-2014-1007
a subsidiary of EQT Corporation,)	
)	
Respondent.)	
)	

FINAL ORDER

On November 16, 2012, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted a review of a Safety-Related Condition Report (SRC)¹ submitted by EQT Midstream Partners, LP (EQT or Respondent), involving an incident at its Pratt Compressor Station (PCS) in Waynesburg, Pennsylvania. EQT provides midstream services to its parent, EQT Corporation, and third-party companies.² EQT operates approximately 27 miles of hazardous liquids pipelines, 741 miles of natural gas pipelines, and 119 miles of gas gathering pipelines in Kentucky, Pennsylvania, Virginia, and West Virginia.³

As a result of the review, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated July 1, 2014, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that EQT had violated 49 C.F.R. § 192.605 and proposed assessing a civil penalty of \$28,800 for the alleged violation. The Notice also proposed ordering Respondent to take certain measures to correct the alleged violation.

EQT responded to the Notice by letter dated July 31, 2014 (Response). The company did not contest the allegation of violation, but provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one. The company also paid the proposed penalty of \$28,800 by wire transfer dated July 31, 2014, which serves to close the case with prejudice as to any item for which a penalty was proposed.

¹ Under 49 C.F.R. § 191.23, pipeline operators are required to report on specified safety-related conditions in accordance with 49 C.F.R. § 191.25.

² EQT Midstream Partners, LP, website, available at <http://www.eqtmidstreampartners.com/media-fast-facts.cfm> (last accessed October 22, 2014).

³ 2013 PHMSA Annual Report, as reported by EQT pursuant to 49 C.F.R. § 191.17.

FINDING OF VIOLATION

In its Response, EQT did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192, 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. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part....

The Notice alleged that EQT violated 49 C.F.R. § 192.605(b)(1) by failing to have certain Operation and Maintenance (O&M) manual procedures providing for the safe operation of its #GSF-360 pipeline at the company's Pratt Compressor Station (Pratt Station). Specifically, the Notice alleged that EQT's O&M procedures applicable to the Pratt Station, *Start-up Shutdown Engine/Compressor Units 1, 2, 3, 4, & 5 Pratt #47* (Pratt Procedures), did not have a process for routing gas through coolers before exiting the station. On November 7, 2012, the discharge temperature on pipeline #GSF-360 reached approximately 180 degrees Fahrenheit due to EQT personnel inadvertently bypassing the station coolers. According to PHMSA, this temperature increase resulted in a longitudinal expansion of the pipeline such that it shifted it off its pipeline supports, causing EQT to file an SRC Report with PHMSA.

Respondent did not contest this allegation of violation, but provided information about remedial action it had taken in response to the incident. Accordingly, based upon a review of all of the evidence, I find that EQT violated 49 C.F.R. § 192.605(b)(1) by failing to have certain O&M procedures providing for the safe operation of pipeline #GSF-360 at its Pratt Station.

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 \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any 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; 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 \$28,800 for the violation cited above.

Item 1: The Notice proposed a civil penalty of \$28,800 for EQT's violation of 49 C.F.R. § 192.605(b)(1), for failing to have certain O&M manual procedures providing for the safe operation of its #GSF-360 pipeline at its Pratt Station. EQT paid the proposed penalty in full, which serves to close the case with prejudice to Respondent. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$28,800 for violation of 49 C.F.R. § 192.605(b)(1).

In summary, having reviewed the record and considered the assessment criteria for each of the Items cited above, I assess Respondent a total civil penalty of **\$28,800**, which amount has been paid in full.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49 C.F.R. § 192.605(b)(1). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601.

In its Response, EQT stated that it intended to comply with the proposed Compliance Order and had established a written procedure at the Pratt Station to provide guidance for routing gas through the facility's coolers. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 192.605(b)(1) (**Item 1**), Respondent must:
 - a. Amend its procedure, *Start-up Shutdown Engine/Compressor Units 1, 2, 3, 4 & 5 Pratt #47*, to include provisions for station cooler operations. Related procedures must include the date originated and the effective date of the last revision.

- b. Provide documentation that demonstrates it has reviewed its related procedures (e.g., *Start-up Shutdown Engine/Compressor Units 1, 2, 3, 4 & 5 Pratt #47* and *Pratt Station Required Procedures for Operations*) in accordance with 49 C.F.R. § 192.605(a).
2. EQT must submit amended procedure(s) and documentation that one stipulated in the above item within 60 days after receipt of the Final Order.
3. It is requested (not mandated) that EQT maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Byron Coy, P.E., Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses; and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

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