

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY**

OVERNIGHT EXPRESS DELIVERY

November 17, 2015

Miranda Jones
Vice President, Environmental Safety and Regulatory
Arlington Storage Company, LLC
801 Cherry Street, Suite 3800, Unit 20
Fort Worth, TX 76102

CPF 1-2015-1026

Dear Ms. Jones:

On August 17-19, 2015, an inspector from the New York State Department of Public Service (NYSDPS), acting as agents for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code, inspected Arlington Storage Company, LLC's (ASC) (a subsidiary of Crestwood Midstream Partners, LP) Seneca Lake gas storage facilities in Watkins Glen, New York.

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 violation(s) are:

1. §192.705 Transmission lines: Patrolling.

(b) The frequency of patrols is determined by the size of the line, the operating pressures, the class location, terrain, weather, and other relevant factors, but intervals between patrols may not be longer than prescribed in the following table:

	Maximum interval between patrols	
Class location of line	At highway and railroad crossings	At all other places
1, 2	7 1/2 months; but at least twice each calendar year	15 months; but at least once each calendar year.
3	4 1/2 months; but at least four times each calendar year	7 1/2 months; but at least twice each calendar year.
4	4 1/2 months; but at least four times each calendar year	4 1/2 months; but at least four times each calendar year.

ASC (Crestwood) failed to conduct patrolling on the Seneca West pipeline at the frequency required by §192.705(b).

During the inspection conducted on 8/17/2015, the NYSDPS reviewed ASC's patrolling records and procedures for highway and railroad crossings from 2013 through 2015. The records show that ASC failed to conduct four patrols at the frequency required by §192.705(b).

The Class 1 and 2 patrols conducted on 6/4/2014 and 4/13/2015 exceeded the code requirement by 16 and 85 days respectively. The Class 3 patrols conducted on 6/11/2014 and 1/21/2015 exceeded the code requirement by 74 and 47 days respectively.

Thus, ASC failed to conduct patrolling on the Seneca West pipeline at the frequency required by §192.705(b).

2. 192.706 Transmission lines: Leakage surveys.

Leakage surveys of a transmission line must be conducted at intervals not exceeding 15 months, but at least once each calendar year. However, in the case of a transmission line which transports gas in conformity with §192.625 without an odor or odorant, leakage surveys using leak detector equipment must be conducted—

(a) In Class 3 locations, at intervals not exceeding 7½ months, but at least twice each calendar year; and

ASC (Crestwood) failed to conduct leak surveys on the Seneca West pipeline at the frequency required by §192.706(a).

During the inspection conducted on 8/17/2015, the NYSDPS reviewed ASC's leak survey records and procedures for from 2013 through 2015. The records show that ASC failed to conduct leak surveys in a Class 3 location at a frequency required by §192.706(a). The leak survey performed on 6/11/2014 exceeded the code requirement by 23 days. In addition, only one

leak survey was conducted in 2014. Thus, ASC failed to conduct two leak surveys on the Seneca West pipeline at the frequency required by §192.706(a).

3. §192.709 Transmission lines: Record keeping.

Each operator shall maintain the following records for transmission lines for the periods specified:

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

ASC failed to keep records of each inspection and test required by subparts L and M of this part for at least 5 years or until the next inspection or test is completed, whichever is longer. Specifically, ASC did not have records to show that each transmission line valve for the Seneca West Pipeline that might be required during any emergency was inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year in accordance with §192.745.

During the inspection conducted on 8/17/2015, the NYSDPS requested that ASC provide records for each transmission line valve that might be required during any emergency. ASC provided records titled “ASC’s Critical Pipeline Valve Inspection Records” for 2013 and 2015 which included the following valves:

1. MV80202 Meads Hill Block Valve
2. MV80205 Route 414 Block Valve
3. MV80208 Backer Road Block Valve
4. MV80211 Hibbard Road Block Valve
5. MV80215 Dominion Block Valve

The NYSDPS inspector asked for valve inspection records for 2014 and ASC stated that the valve inspection records for 2014 are missing and could not be located.

Thus, ASC failed to keep records of each inspection and test required by subparts L and M.

Proposed Civil Penalty

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. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$98,100 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$42,100
2	\$39,900
3	\$16,100

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. All material submit in response to this enforcement action may be 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

Please submit all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2015-1026** on each document you submit and please, whenever possible, provide a signed PDF copy in electronic format. Smaller files may be e-mailed to Byron.Coy@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

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

Cc: Kevin Speicher NYSDPS

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*