

September 24, 2018

Mr. Alan S. Armstrong
President and Chief Executive Officer
Williams Companies, Inc.
One Williams Center
Tulsa, OK 74172

Re: CPF No. 2-2018-3001

Dear Mr. Armstrong:

Enclosed please find the Final Order issued in the above-referenced case to your subsidiary, Pine Needle LNG Company, LLC (Pine Needle). It makes one finding of violation and assesses a civil penalty of \$25,000 against Pine Needle. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated July 12, 2018. This enforcement action is now closed. Service of the Final Order by certified mail is effective as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. James Urisko, Director, Southern Region, Office of Pipeline Safety, PHMSA
Mr. Larry Legendre, Pipeline Safety and Compliance Manager, Williams Partners, LP,
2800 Post Oak Boulevard, Houston, Texas 77056

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

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| In the Matter of |) | |
| |) | |
| Pine Needle LNG Company, LLC, |) | CPF No. 2-2018-3001 |
| a subsidiary of Williams Partners, LP, |) | |
| |) | |
| Respondent. |) | |
| |) | |

FINAL ORDER

From June 27 through June 30, 2017, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Pine Needle LNG Company, LLC's (Pine Needle or Respondent) facility in Stokesdale, North Carolina. Pine Needle is a subsidiary of Williams Partners, LP (Williams).¹ The Stokesdale facility has two LNG containers with a maximum liquefaction rate of 20 million cubic feet per day (MMcf/d) and a maximum vaporization rate of 400 MMcf/d.²

As a result of the inspection, the Director, Southern Region, OPS (Director), issued to Respondent, by letter dated February 27, 2018, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Pine Needle had violated 49 C.F.R. § 191.29 and proposed assessing a civil penalty of \$25,000 for the alleged violation.

Williams, on behalf of its subsidiary, responded to the Notice by email dated March 30, 2018 (Response). The company did not contest the allegation of violation and paid the proposed civil penalty of \$25,000. In accordance with 49 C.F.R. § 190.208(a)(1), such payment authorizes the Associate Administrator to make a finding of violation and to issue this final order without further proceedings.

¹ Pine Needle LNG Company, LLC, is a subsidiary of Williams Partners, LP, which is a subsidiary of Williams Companies, Inc. *See*, Williams Companies, Inc., Form 10-K, available at <http://app.quotemedia.com/data/downloadFiling?ref=12075170&type=HTML&symbol=WMB&companyName=Williams+Companies+Inc.+%28The%29&formType=10-K&formDescription=Annual+report+with+a+comprehensive+overview+of+the+company&dateFiled=2018-02-22> (last accessed August 9, 2018).

² Pipeline Safety Violation Report (Violation Report), (February 1, 2018) (on file with PHMSA), at 1.

FINDING OF VIOLATION

In its Response, Pine Needle did not contest the allegation in the Notice that it violated 49 C.F.R. Part 191, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 191.29, which states:

§ 191.29 National Pipeline Mapping System.

(a) Each operator of a gas transmission pipeline or liquefied natural gas facility must provide the following geospatial data to PHMSA for that pipeline or facility:

(1) Geospatial data, attributes, metadata and transmittal letter appropriate for use in the National Pipeline Mapping System. Acceptable formats and additional information are specified in the NPMS Operator Standards Manual available at www.npms.phmsa.dot.gov or by contacting the PHMSA Geographic Information Systems Manager at (202) 366-4595.

(2) The name of and address for the operator.

(3) The name and contact information of a pipeline company employee, to be displayed on a public Web site, who will serve as a contact for questions from the general public about the operator's NPMS data.

(b) The information required in paragraph (a) of this section must be submitted each year, on or before March 15, representing assets as of December 31 of the previous year. If no changes have occurred since the previous year's submission, the operator must comply with the guidance provided in the NPMS Operator Standards manual available at www.npms.phmsa.dot.gov or contact the PHMSA Geographic Information Systems Manager at (202) 366-4595.

The Notice alleged that Respondent violated 49 C.F.R. § 191.29 by failing to submit each year, on or before March 15, geospatial data representing its assets as of December 31 of the previous year. Specifically, the Notice alleged that Pine Needle failed to submit geospatial data, attributes, metadata and transmittal letter appropriate for use in the National Pipeline Mapping System in a timely manner for calendar years 2014, 2015, 2016, and 2017. The Notice alleged that Pine Needle's geospatial data submittals exceeded the annual March 15 deadline as follows:

| Calendar Year | Submittal Date | Duration of Exceedance (days) |
|---------------|----------------|-------------------------------|
| 2014 | March 27, 2014 | 11 |
| 2015 | March 17, 2015 | 1 |
| 2016 | March 24, 2016 | 8 |
| 2017 | May 9, 2017 | 54 |

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. § 191.29 by failing to submit each year, on or before March 15, geospatial data representing its assets as of December 31 of the previous year.

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.³ 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 \$25,000 for the violation cited above.

Item 1: The Notice proposed a civil penalty of \$25,000 for Respondent's violation of 49 C.F.R. § 191.29, for failing to submit each year, on or before March 15, geospatial data representing its assets as of December 31 of the previous year. Respondent neither contested the allegation nor presented any evidence or argument justifying a reduction in, or elimination of, the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Pine Needle a civil penalty of \$25,000 for violation of 49 C.F.R. § 191.29, which amount was paid in full by wire transfer on July 12, 2018.

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

September 24, 2018

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued

³ These amounts are adjusted annually for inflation. *See, e.g.*, Pipeline Safety: Inflation Adjustment of Maximum Civil Penalties, 82 Fed. Reg. 19325 (April 27, 2017).