

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 23, 2013

Mr. Ryan Coffey
Executive VP Operations
Transwestern Pipeline Company LLC
800 E. Sonterra Blvd, Suite 400
San Antonio, Texas 78258

CPF 4-2013-1002

Dear Mr. Coffey:

Between May 25 and December 2, 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected multiple units associated with Transwestern Pipeline Company LLC (Transwestern) interstate gas transmission pipeline in Arizona, New Mexico, and Texas.

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. **§192.745 Valve maintenance: Transmission lines.**
 - (a) **Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.**

Transwestern’s maintenance records showed a failure to inspect a total of nine (9) transmission valves that may have been required during an emergency, once each calendar year at intervals not exceeding 15 months. This is detailed in the following table.

Valves identified that exceeded the 15 month requirement interval under 49 CFR, §192.745	Dates of inspections recorded	Number of days exceeding 15 months
Valve S-0212-EVA-01 STATION SUCTION VALVE M3001	05/30/09 - 09/27/10	27
Valve S-0212-EVA-03 SUCTION SIDE VALVE M0181	05/30/09 - 09/27/10	27
Valve S-0212-EVA-04 SUCTION SIDE VALVE L0182	05/30/09 - 09/27/10	27
Valve S-0212-EVA-07 DISCHARGE SIDE VALVE M0201	05/30/09 - 09/27/10	27
Valve S-0212-EVA-08 DISCHARGE SIDE VALVE L0202	05/30/09 - 09/27/10	27
Valve S-0220-EVA-01 42 INCH BLOCK VALVE MP 0.00	07/30/09 – 12/02/10	32
Valve S-0220-EVA-03 42 INCH BLOCK VALVE MP 17.00	07/30/09 – 12/02/10	32
Valve S-0220-EVA-05 42 INCH BLOCK VALVE MP 35.00	07/30/09 – 12/02/10	32
Valve M.01.A 16” CRFD LP @ MP 27.23	05/30/09 – 10/15/10	45

2. §192.745 Valve maintenance: Transmission lines.

(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.

Transwestern failed to partially or completely operate their emergency valve while performing its annual inspection for three (3) consecutive annual inspections (years). The valve inspection reports for valves nos. 1101, 1108, and 1109 stated that the valves were not operated for three (3) consecutive years.

3. §192.465 External corrosion control: Monitoring.

(b) Each cathodic protection rectifier or other impressed current power source must be inspected six times each calendar year, but with intervals not exceeding 2 1/2 months, to insure that it is operating.

Transwestern’s rectifier inspection records indicated that inspections for three (3) Rectifier Facility ID CPUs exceeded the 2½ months scheduled interval requirement and were not inspected at least six times a year in 2011. This is detailed in the following table.

Rectifiers identified that exceeded the 2 ½ month requirement interval under 49 CFR, §192.465	Dates of inspections recorded	Number of days exceeding 2 1/2 months
CPU 360	02/13/11, 04/07/11, 08/28/11 & 10/03/11	66
CPU 361	02/13/11, 04/07/11, 08/28/11 & 10/03/11	66
CPU 362	02/13/11, 04/07/11, 08/28/11 & 10/03/11	66

4. §192.605 Procedural manual for operations, maintenance, and emergencies
Each operator shall include the following in its operating and maintenance plan:

(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 one 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.

Transwestern did not follow its procedure no. D.35-Buried Pipe Inspections, revision date September 21, 2009, section 7.1 Data Collection, step 4 which requires the technicians to “document each inspection in the Pipe Inspection Database.” A random review of pipe inspection reports of buried pipes of unit 2954, it was found that the pipe inspection reports were inconsistent among the technicians and incomplete.

In Pipe Report No.2009102705, the coating condition section was incomplete. This section requires the documentation of top, side, bottom of bond, brittle, distortion, and soil penetration. They were left “select” from the electronic form’s pull-down menu. However, the inspection status indicated “complete.”

In Pipe Report No. 2010052601, the coating condition section was not complete. This section requires the documentation of top, side, bottom of bond, brittle, distortion, and soil penetration. They were documented “unknown.” However, the inspection status indicated “complete.”

In addition, Transwestern failed to follow its *Valve Inspection and Maintenance Standard Operating Procedures* (page 7 section 8.0 Documentation requirements). Wherein, the procedure requires the operator personnel to record the valve position “As Found” and “As Left” in the portions of its inspection form titled “Work Orders Closing Comments” or the section titled “Remarks.” The following records reflect the twenty (20) separate valve inspections where procedures were not followed.

Valves that were not inspected per the documentation requirements of the operator’s procedures	Date of Inspection
Valve S-0209-EVA-01 30 INCH BLOCK VALVE M4012	8/18/2011
Valve S-0209-EVA-02 8 INCH DOWNSTREAM BLOWDOWN VALVE M4012	8/18/2011
Valve S-0209-EVA-03 8 INCH UPSTREAM BLOWDOWN VALVE M4012	8/15/2011
Valve S-0209-EVA-04 30 INCH BLOCK VALVE M4011	8/15/2011
Valve S-0209-EVA-05 8 INCH DOWNSTREAM BLOWDOWN VALVE M4011	8/18/2011

Valve S-0209-EVA-06 8 INCH UPSTREAM BLOWDOWN VALVE M40121	8/18/2011
Valve S-0209-EVA-07 30 INCH BLOCK VALVE M4010	8/15/2011
Valve S-0209-EVA-08 8 INCH DOWNSTREAM BLOWDOWN VALVE M4010	8/18/2011
Valve S-0209-EVA-09 8 INCH UPSTREAM BLOWDOWN VALVE M4010	8/18/2011
Valve S-0210-EVA-08 CROSSOVER VALVE L4010.5	8/15/2011
Valve S-0210-EVA-09 30 INCH BLOCK VALVE L4010	8/15/2011
Valve S-0211-EVA-01 STATION SUCTION VALVE M2001	8/18/2011
Valve S-0211-EVA-03 SUCTION SIDE VALVE M0181	8/18/2011
Valve S-0211-EVA-04 SUCTION SIDE VALVE L0182	8/18/2011
Valve S-0212-EVA-09 BY-PASS VALVE M0281	9/27/2010
Valve S-0212-EVA-10 BY-PASS VALVE L0282	9/27/2010
Valve S-0212-EVA-12 36 INCH UNIT DISCHARGE VALVE 4230	9/27/2010
Valve S-0212-EVA-15 20 INCH UNIT COLD RECYCLE BLOCK VALVE 4119	9/27/2010
Valve S-0212-EVA-19 20 INCH STATION DISCHARGE VALVE M3006	9/27/2010
Valve S-0212-EVA-20 STATION DISCHARGE VALVE L3006	9/27/2010

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 \$53,200 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$15,200
2	\$27,700
3	\$10,300

Warning Items

With respect to Item Number 4, 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 promptly correct this item. Failure to do so may result in additional enforcement action.

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.

In your correspondence on this matter, please refer to **CPF 4-2013-1002** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

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