

Mr. Walter Ferguson, Vice President
Reliant Energy Gas Transmission
525 Milam Street
P.O. Box 21734
Shreveport, LA 71151

Re: CPF No. 47104

Dear Mr. Ferguson:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$5,000. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

I acknowledge receipt of, and accept, your wire transfer of \$5,000, as payment in full of the civil penalty assessed against Reliant Energy Gas Transmission, formerly known as NorAm Gas Transmission, in the Final Order. This case is now closed and no further enforcement action is contemplated with respect to the matters involved in the case. Thank you for your cooperation in our joint effort to ensure pipeline safety.

Sincerely,

Gwendolyn M. Hill
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590

_____)	
In the Matter of)	
)	
Reliant Energy Gas Transmission,)	
formerly NorAm Gas Transmission,)	CPF No. 47104
)	
Respondent.)	
_____)	

FINAL ORDER

During July and August, 1996, pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of Respondent's facilities and records in East Texas and Northern Louisiana. As a result of the inspection, the Director, Southwest Region, OPS, issued to Respondent, by letter dated July 3, 1997, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had committed a violation of 49 C.F.R. § 192.465(a) (Item 4 of the Notice) and proposed assessing a civil penalty of \$5,000 for that alleged violation. The Notice warned Respondent to take appropriate corrective action with respect to all of the remaining items.

Respondent responded to the Notice by letter dated August 6, 1997 (Response). Respondent did not contest Item 4 but provided information concerning the corrective actions it has taken. In addition, Respondent made a wire transfer in the amount of the proposed civil penalty (\$5,000), waiving further right to respond, and authorizing entry of this Final Order.

Subsequently, Respondent requested a hearing to contest Item 6 (a warning item) by letter dated July 14, 1998. As a general rule, OPS generally does not grant hearings with respect to warning items and, even if it did, the request for a hearing was made over one year after Respondent received the Notice. Therefore, the request for a hearing is denied. However, neither the denial of a hearing nor the position taken by the Director, Southwest Region, OPS, that all pressure relief valves at a compressor station, including both primary and redundant systems, must be inspected under § 192.731 preclude Respondent from raising its argument if it is ever cited on this again or from requesting a waiver or a written interpretation.

FINDINGS OF VIOLATION

Respondent did not contest the alleged violation in the Notice. Accordingly, I find that Respondent violated the following section of 49 C.F.R. Part 192, as more fully described in the Notice:

49 C.F.R. § 192.465(a) -- failing to test each pipeline that is under cathodic protection at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of § 192.463.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent. I assess a penalty of \$5,000, already paid by the Respondent.

WARNING ITEMS

The Notice did not propose a civil penalty for Items 1, 2, 3, 5, 6, 7, and 8, but warned Respondent that it should take appropriate corrective action. The information that Respondent presented in its Response shows that Respondent has addressed the cited items. However, should a violation come to the attention of OPS in a subsequent inspection, enforcement action will be taken.

Under 49 C.F.R. § 190.215, Respondent has a right to petition for reconsideration of this Final Order. The petition must be received within 20 days of Respondent's receipt of this Final Order and must contain a brief statement of the issue(s). The filing of the petition automatically stays the payment of any civil penalty assessed. All other terms of the order, including any required corrective action, shall remain in full effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective upon receipt.

Stacey Gerard
Associate Administrator
for Pipeline Safety

Date Issued