



U.S. Department
of Transportation
**Research and
Special Programs
Administration**

400 Seventh Street, S.W.
Washington, D.C. 20590

NOV 13 2002

Mr. Edward M. Nolan
Senior Vice President - Utilities Operations
Equitrans, L.P.
200 Allegheny Center Mall
Pittsburgh, PA 15212-5331

RE: CPF No.1-2001-1004

Dear Mr. Nolan:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation, assesses a civil penalty of \$85,000, and requires certain corrective action. At such time that the civil penalty is paid and the terms of the compliance order are completed, as determined by the Director, Eastern Region, this enforcement action will be closed. The penalty payment terms are set forth in the Final Order. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

A handwritten signature in black ink that reads "Gwendolyn M. Hill".

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)

Equitrans, L.P.)

Respondent.)

CPF No. 1-2001-1004

FINAL ORDER

On May 22-26, and October 11-25 2000, pursuant to 49 U.S.C. § 60117, a representative of the Eastern, Region, Office of Pipeline Safety (OPS), and a representative of the West Virginia Public Service Commission conducted on-site pipeline safety inspections of Respondent's facilities and records in Pennsylvania and West Virginia. As a result of the inspections, the Director, Eastern Region, OPS, issued to Respondent, by letter dated June 18, 2001, 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 Respondent had violated 49 C.F.R. §§ 192.163, 192.457, 192.465, 192.475, 192.479, 192.481, 192.613, 192.615, 192.705 and 192.707. The Notice proposed assessing civil penalties of \$2,000 for violation of §192.465, \$45,000 for violation of §192.479, \$16,000 for violation of §192.481, \$10,000 for violation of § 192.613, \$20,000 for violation of § 192.705, and \$12,000 for violation of §192.707. The Notice also proposed that Respondent take certain measures to correct the alleged violations.

Respondent responded to the Notice by letter dated July 5, 2001, requesting a one year extension to evaluate and respond to the items in the Notice. By letter dated July 17, 2002, OPS denied the extension, citing 49 C.F.R. 190.209. Respondent sent a letter, dated August 15, 2001 (Response), addressing the proposed violations in the Notice. Respondent contested several of the allegations, offered information in mitigation of the proposed civil penalty and requested a hearing. The hearing was held on January 10, 2002 in Washington, DC. After this hearing, Respondent provided additional information by letter dated February 7, 2002, and by phone on June 13, 2002.

FINDINGS OF VIOLATION

Uncontested violations. Respondent did not contest the alleged violations of 49 C.F.R. §§192.163, 192.457, 192.475, 192.479 and 192.707 (Items 1,2,4,6 and 12 of the Notice, respectively). Accordingly, I find that Respondent violated the following sections of 49 C.F.R. Part 191, as more fully described in the Notice:

49 C.F.R. § 192.163(e) – failing to properly install or locate 3 electrical conduit seals in accordance with Article 501-5 of the National Electric Code, ANSI/NFPA 70, at the Copley Run Compressor Station located in West Virginia;

49 C.F.R. § 192.457(b) – failing to cathodically protect 22 bare-coupled transmission and gathering pipelines in areas of active corrosion within Pennsylvania;

49 C.F.R. § 192.475(a) – failing to investigate whether the low pH and elevated bacteria in the West Virginia and Pennsylvania storage field drips indicated a corrosive condition inside the associated pipelines;

49 C.F.R. § 192.479(b) – failing to take remedial action in areas of active atmospheric corrosion on pipeline installed before August 1, 1971 in 9 locations;

49 C.F.R. § 192.707(c) – failing to place line markers along each section of an above-ground main or transmission line that is in an area that is accessible to the public in 9 locations;

(d)(2) – failing to put the name of the operator and a number where the operator can be reached at all times in three locations.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

Contested violations. Item 3 of the Notice alleged that Respondent violated § 192.465 by not testing well line 6181 at least once between October 1999 and January 2001 to ensure that it met the cathodic protection requirements of § 192.463. During the hearing, Respondent provided records to show that well line 6181 was inspected on November 1, 2000. The Notice also alleged that Respondent's inspection of five other well lines for external corrosion at the Logans Port Storage Pool #24, between 1996 and 1997, exceeded the 15 month interval requirement by 11 or 12 days. No civil penalty was proposed for the other five well lines. Accordingly I find that Respondent did not violate 49 C.F.R. § 192.465.

Item 9 of the Notice alleged Respondent violated § 192.613(a) in failing to have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning changes in, among other things, unusual operating and maintenance conditions. Specifically, the Notice alleged that Respondent failed to provide adequate support to a valve assembly on line H117 at the Orndorff Valve Station. It is clear from a photo submitted by OPS that there is no support directly underneath the valves. In its Response, Respondent countered that the valve was properly designed and installed, and, according to its engineering calculations, no support was necessary. Respondent submitted the calculations to OPS at the hearing. OPS did not find the calculations persuasive. After further review of the evidence and arguments, I find that Respondent violated § 192.613(a).

Item 9 of the Notice also alleged Respondent violated § 192.613(b) in failing to initiate a program to recondition or phase out: pipe anchor straps that were not secured to the support piers at the Blacksville M & R Station; and missing bolts on the pipe supports at the Hawkins Gate Station. Respondent contended that the anchor straps are not required by the regulations. Where there are anchor straps, however, they should be secured. After further review of the evidence and arguments, I find that Respondent violated § 192.613(b).

Item 11 of the Notice alleged that Respondent violated § 192.705(a) in failing to have a patrol program to observe surface conditions on and adjacent to the transmission line right-of-way for indications of leaks, construction activity, and other factors affecting safety and operation. Specifically, OPS noted that during its inspection, local residents were using the transmission line right-of-way leading to the Hawkins Gate Station as a shooting range. OPS noted that the residents were using rifles, and although the shooting range activity in the vicinity of the aboveground piping posed a risk to public safety, this activity was not noted on patrol reports for Lines 103 and 104.

In its Response, Respondent stated that it did not own the land and could therefore control neither the landowner's use of the property nor the gun club that was using the right-of-way for its shooting activities. OPS said that the shooting activity near the pipelines was possibly dangerous to the public and should have been noted on the patrol logs, and steps should have been taken to protect the pipeline facilities.

Respondent stated that the shooting was not aimed directly toward the valve set. At the hearing, Respondent explained that the gun club was no longer at the site. Respondent maintained that the gun club members were not a risk to the public because their shooting was directed at targets and for specified periods of time. Respondent said that hunters during hunting season posed a much bigger risk to the public because their shooting could be in any direction, for long periods of time. After the hearing, Respondent submitted a schematic which showed the distances and orientation of shooters to targets vis-a-vis the pipelines.

Contrary to Respondent's arguments, Respondent's schematic appears to support OPS' contention that stray bullets could hit aboveground sections of transmission piping and possibly put the public at risk. The schematic shows that the shooting bench was 515 feet away from the target, and the target was 42 feet away from the Hawkins Gates. At the hearing OPS stated that there was a shooting pavilion that was placed closer to the target, and closer to the valve set, than the shooting bench. Respondent effectively did not have a patrol program to observe factors affecting safety and operation of the lines, as there was no record or notes of shooting on its right of way. Accordingly I find that, with respect to the shooting activity occurring on and adjacent to Respondent's pipelines, Respondent violated § 192.705(a) as more fully described in the Notice.

Item 11 of the Notice also alleged that Respondent violated § 192.705(a) by not addressing excavation activity in the vicinity of Respondent's lines H129 and GSF369. At the time of OPS' inspections, the Ducane/Orion Power Plant was excavating over those lines, which pass through Ducane/Orion's coal storage yard. The excavation consisted of trenches around the base of the coal

storage pile to contain water run-off. At the hearing, OPS stated that Respondent's employees seemed unaware and unconcerned about the excavation activity. Respondent could not provide OPS with the actual depth of the transmission lines, but said it was a few feet in depth as compared to the trenches, which were approximately 18 inches in depth. Respondent's estimate was based on a determination of a few years ago when a tap was installed near railroad tracks outside the plant. Respondent further stated that its line markers were properly located in the vicinity.

Respondent did not have a reliable estimate of the depth of the pipelines in the area of excavation. The depth could have changed as a result of erosion or subsidence. Excavation activities over pipelines can cause damage to the pipelines. In this instance, the public and environment could be jeopardized if gas released from a damaged pipeline were to ignite coal piles. Accordingly, I find that, with respect to excavation activity occurring on and adjacent to its gas transmission lines, Respondent violated § 192.705(a) as more fully described in the Notice.

These findings of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTIES

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed \$25,000 per violation for each day of the violation up to a maximum of \$500,000 for any related series of violations.

49 U.S.C. § 60122 and 49 C.F.R. § 190.225 require that, in determining the amount of the civil penalty, I consider the following criteria: nature, circumstances, and gravity of the violation, degree of Respondent's culpability, history of Respondent's prior violations, Respondent's ability to pay the penalty, good faith by Respondent in attempting to achieve compliance, the effect on Respondent's ability to continue in business, and such other matters as justice may require.

The Notice proposed a penalty of \$2,000 for violation of 49 C.F.R. § 192.465 for well line 6181 only. Respondent supplied the missing records at the hearing. Accordingly, having reviewed the records, a civil penalty will not be assessed for this violation.

The Notice proposed a penalty of \$45,000 for violation of 49 C.F.R. § 192.479, which requires an operator to determine areas of atmospheric corrosion on pipelines installed before August 1, 1971, and, where corrosion is found, to take remedial measures and clean and coat the pipe. The \$45,000 civil penalty represents a \$5,000 penalty for each of nine locations at which OPS found atmospheric corrosion. During the hearing Respondent provided information concerning corrective actions it has taken. Respondent provided photographs showing Respondent has taken remedial measures, cleaned, and either coated or jacketed the pipe in all nine areas. Respondent provided information to show it is creating a database identifying all locations and all areas of above ground piping on the transmission system. Respondent also provided information to show it is revising its inspection sheet to address any atmospheric corrosion and the condition of supports and markers. Respondent

is also replacing old pipe with brand new pipe. Accordingly, having reviewed the record, considered the assessment criteria and other factors as justice may require, a reduction will be made in the amount of the proposed penalty. I assess Respondent a civil penalty of \$27,000 for violation of § 192.479.

The Notice proposed a penalty of \$16,000 for violation of 49 C.F.R. § 192.481, which requires an operator to reevaluate its onshore pipeline every 3 years for atmospheric corrosion and to take remedial action when necessary. The \$16,000 civil penalty represents a \$2,000 penalty for each of eight locations. Respondent did not provide records to demonstrate that it conducted atmospheric corrosion inspections every three years. No atmospheric corrosion records before 1999 were available for six of the locations, and no records at all were available for the Pratt Compressor Station. No records before 1998 were available for the Blacksville M & R Station. At the hearing Respondent contended that because its database has only existed since 1998, a fine was not appropriate for this violation. Respondent has not shown any circumstance that would justify its failure to comply with § 192.481. Accordingly I assess Respondent a civil penalty of \$16,000 for violation of § 192.481.

The Notice proposed a penalty of \$10,000 for violation of 49 C.F.R. § 192.613, which requires an operator to have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning changes in, among other things, unusual operating and maintenance conditions. Section 192.613 also requires an operator to initiate a program to recondition or phase out segments of pipeline determined to be in unsatisfactory condition but not constituting an immediate hazard. Respondent contended that a penalty was inappropriate because it did not consider the conditions identified by OPS to be unsafe. Contrary to Respondent's position, improper support of the valve assembly causes undue stress on the connecting piping and may result in leakage or failure. Improper anchoring of station piping could result in failure of the piping due to excessive vibration and/or thermal expansion/contraction of the pipe material. Accordingly, having reviewed the record, considered the assessment criteria, and other factors as justice may require, I assess Respondent a civil penalty of \$10,000 for violation of § 192.613.

The Notice proposed a penalty of \$20,000 for violation of 49 C.F.R. § 192.705(a), which requires an operator to have a patrol program to observe surface conditions on and adjacent to the transmission right-of-way for indications of leaks, construction activity, and other factors affecting safety and operation. Respondent argued that the gun club's shooting activity and the excavation activity in Respondent's right of way posed no threat to the pipeline facility, and therefore a penalty was inappropriate. Respondent did not consider the effect of stray bullets hitting the above ground pipeline facility. Respondent's employees seemed unaware and unconcerned about excavation by Ducane/Orion Power Plant personnel over Respondent's lines H129 and GSF369. Safety requires that such conditions be observed and noted on patrol logs. Respondent has not shown any circumstance that would justify its failure to comply with § 192.705(a). Accordingly, having reviewed the record, considered the assessment criteria, and other factors as justice may require, I assess Respondent a civil penalty of \$20,000 for violation of § 192.705(a).

The Notice proposed a penalty of \$9,000 for violation of 49 C.F.R. § 192.707(c), which requires an operator to place and maintain line markers along each section of a main and transmission line that is located aboveground in an area accessible to the public. The Notice listed nine aboveground facilities which did not have signs or markers. Respondent stated it has placed signs conforming to § 192.707 at all nine locations and ten other locations, as well. Respondent brought samples to the hearing. Safety dictates that the public have on-site notice of the location of a gas pipeline. Respondent has not shown any circumstance that would justify its failure to place signs in nine areas. Accordingly, having reviewed the record, considered the assessment criteria, and other factors as justice may require, I assess Respondent a civil penalty of \$9,000 for violation of § 192.707(c).

The Notice proposed a penalty of \$3,000 for violation of 49 C.F.R. § 192.707(d), which requires that the following be written on a background of sharply contrasting color on each line marker: the word "Warning," "Caution," or "Danger" followed by the words "Gas (or name of the gas transported) Pipeline" all of which, except for markers in heavily developed urban areas, must be in letters at least 1 inch (25 millimeters) high with 1/4 inch (6.4 millimeters) stroke. Section § 192.707(d) also requires the name of the operator and the telephone number (including area code) where the operator can be reached at all times. According to the Notice, Respondent's phone number was incorrect on three markers. The public must be able to contact the pipeline operator in the event of an emergency. Respondent has not shown any circumstance that would justify its failure to display its correct phone number on signs at three locations. Accordingly, having reviewed the record, considered the assessment criteria, and other factors as justice may require, I assess Respondent a civil penalty of \$3,000 for violation of § 192.707(d).

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a total civil penalty of \$85,000. A determination has been made that Respondent has the ability to pay this penalty without adversely affecting its ability to continue in business.

Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 C.F.R. § 89.21(b)(3)) require this **payment be made by wire transfer**, through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. **Detailed instructions are contained in the enclosure.** After completing the wire transfer, send a copy of the **electronic funds transfer receipt** to the **Office of the Chief Counsel (DCC-1)**, Research and Special Programs Administration, Room 8407, U.S. Department of Transportation, 400 Seventh Street, SW, Washington, DC 20590-0001.

Questions concerning wire transfers should be directed to: Federal Aviation Administration, Mike Monroney Aeronautical Center, Financial Operations Division (AMZ-120), P.O. Box 25770, Oklahoma City, OK 73125; (405) 954-4719.

Failure to pay the \$85,000 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in an United States District Court.

COMPLIANCE ORDER

The Notice proposed a compliance order. Under 49 U.S.C. § 60118, each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. 190.217, Respondent is hereby ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. Inspect all electrical equipment and wiring at compressor stations installed after March 12, 1971, to ensure that conduit seals are installed with proper spacing and that the seals are filled with an appropriate material to prevent possible migration of gas vapors.

Submit a report outlining the stations inspected, the results of the inspections, and a remedial action plan outlining the steps that will be taken to address the deficiencies identified, within 90 days of receipt of the Final Order.

2. Submit an action plan outlining steps that will be taken regarding the cathodic protection of bare-coupled pipelines in areas of active corrosion throughout your Pennsylvania operating system. At a minimum the plan shall address the following:

- (A) Identification of bare-coupled pipelines throughout your Pennsylvania operating system within 220 yards of residential homes, developments, road crossings, or within the boundaries of a town, city or village, or other areas of active corrosion that may be detrimental to public safety.

- (B) Integrity analysis of all pipeline sections identified above. The integrity analysis should include at a minimum, a review of leak history records, pipe exposure reports, pipe specifications, internal inspection reports, and the methods used to directly assess the condition of the pipe wall.

- (C) Remedial actions to be implemented.

- (D) Type of cathodic protection to be installed.

- (E) Proposed implementation schedule for installing cathodic protection on the segments identified.

Alternatively, you may elect to replace all regulated bare-coupled pipelines throughout your Pennsylvania operating system instead of complying with the requirements outlined in 2 above. If you choose to replace 44 miles of pipe and abandon 11 miles of pipe (during the hearing you indicated that this was your intention) you must submit an action plan providing details showing the total footage of bare-coupled pipe (including line numbers) within the Pennsylvania operating area,

total footage of pipe to be replaced and its locations, and a replacement schedule. The new construction must also comply with Title 49 C.F.R., Part 192. Submit the action plan within 90 days of receipt of the Final Order.

3. Review your internal corrosion monitoring programs and operations as outlined in the OPS Advisory Bulletin, *Internal Corrosion in Gas Transmission Pipelines*, dated August 29, 2000, available on the OPS website under the heading, "Regulations and Interpretations." Conduct further investigations to determine if internal corrosion is present. Take fluid samples at various low points throughout the storage fields and analyze them for the presence of corrosive compounds. Submit a report to OPS within 90 days of receipt of the Final Order. At a minimum, this report must include the following:
 - (A) Number of gas storage wells (including monitoring wells) within each field
 - (B) Number of pipeline drips within each field
 - (C) Total volume of fluid per year collected for each field (2000 - 2001 only)
 - (D) Number of fluid samples collected and analyzed for each field
 - (E) Total number of leaks as a result of corrosion for each field from 1995 - 2001.
4. Implement your new procedures for monitoring and addressing internal corrosion, "Equitable Resource Standard 8.06, Internal Corrosion Control," which OPS reviewed and determined were consistent with Part 192 per the Eastern Region's letter to you dated March 4, 2002.
5. Identify, evaluate, and remediate all pipe supports throughout the system where atmospheric corrosion is present. Submit a remediation schedule and plan to OPS within 8 months that includes the total number of pipe supports: in the system, evaluated for atmospheric corrosion, and requiring remedial action.
6. Identify all aboveground facilities that are to be inspected for atmospheric corrosion. Include in your inspection facilities that have not been previously inspected. Compare those facilities with existing records on atmospheric corrosion to expose possible deficiencies in previous inspections.
7. Remediate any areas of atmospheric corrosion. Submit a remediation schedule, list of facilities not previously inspected, an assessment of each location, and list of facilities remediated to OPS within 8 months of receipt of the Final Order.
8. Conduct field investigations throughout your system to identify all facilities installed after March 12, 1971, with missing supports or supports that do not comply with 49 C.F.R. 192.161. Remediate all facilities with inadequate supports. Submit a report outlining the results of the field investigation to OPS within 8 months of receipt of the Final Order.

9. Conduct field investigations throughout your system to ensure that all anchor straps are properly installed and maintained. Submit a report outlining the results of the field investigations to OPS within 8 months of receipt of the Final Order.
10. If a shooting range is reactivated on your right-of-way, take measures to protect your facilities. Review your patrolling procedures with your personnel to ensure that the procedures are being implemented in the field and that your personnel are made aware of situations that must be reported. Submit an action plan outlining the steps that will be taken to address shooting range reactivation on your right-of-way to OS within 90 days of receipt of the Final Order.
11. Locate and determine the depths of lines H129 and GSF 369 that pass through the Ducane/Orion Power Plant property. Take all necessary steps to ensure that the line is sufficiently protected from damage that may be caused by excavation activity on plant property. Submit an action plan outlining the steps to be taken within 30 days of receipt of the Final Order.
12. Inspect all aboveground facilities throughout your system to ensure that proper markers/signs are posted and that they comply with 49 C.F.R. § 192.707. Ensure that the emergency phone numbers on all line markers and/or placards are correct throughout the system.
13. Submit an action plan outlining the steps that will be taken to address these issues within 90 days of the Final Order. Submit a follow-up report outlining the results of implementing the action plan within 8 months of receipt of the Final Order.
14. The Director, Eastern Region, OPS, may grant an extension of time for completion of any of the actions required herein upon receipt of a written request from the Respondent.

WARNING ITEMS

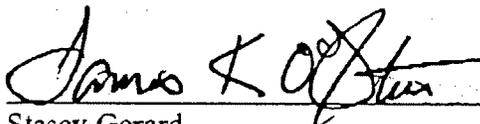
The Notice did not propose civil penalties or compliance actions with respect to the following items, therefore, Respondent is warned that if it does not take appropriate corrective action and OPS finds a violation in a subsequent inspection, enforcement action will be taken.

Item 5 in the Notice alleged that Respondent failed to coat or jacket a section of 2-inch diameter pipe at a riser at the Roosevelt Road Metering and Regulation Station in Pennsylvania, and failed to properly coat some fittings at the Blacksville M&R Station.

Item 8 in the Notice alleged that Respondent failed to review and update its operations and maintenance and emergency manuals once each calendar year, with intervals not exceeding 15 months.

Item 10 of the Notice alleged that Respondent had violated 49 C.F.R. § 192.615, by failing to have written procedures to minimize the hazard resulting from a gas pipeline emergency. Respondent, however, submitted adequate procedures to OPS in connection with Notice of Amendment 1-2001-1003M.

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. Failure to comply with this Final Order may result in the assessment of civil penalties of up to \$25,000 per violation per day, or in the referral of the case for judicial enforcement.



Stacey Gerard
Associate Administrator
for Pipeline Safety

NOV 13 2002

Date Issued