



U.S. Department
Of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 306
West Trenton, NJ 08628
609.989.2171

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

January 21, 2010

EXPRESS OVERNIGHT DELIVERY

Thomas Wooden
Northern Division Manager
Algonquin Gas Transmission Company
5400 Westheimer Court
Houston, TX 77056

CPF 1-2010-1001

Dear Mr. Wooden:

On October 23, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, conducted an investigation pertaining to an outage that occurred on October 23, 2008, at your M&R Station #33 in Tiverton, Rhode Island. This event resulted in loss of service to approximately 900 downstream local distribution customers of National Grid.

As a result of the investigation, 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. §192.605(a) Procedural manual for operations, maintenance, and emergencies

(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

The operator failed to follow Algonquin Gas Transmission Co (AGT) complex written procedure (5-3010), section "Purging with Gas - General Requirements" related to development of Site Specific Purging Procedures.

AGT Procedure 5-3010, Purging, requires the operator to develop Site Specific Purging Procedure as part of the shutdown procedure for the M&R Station #33 in Tiverton, Rhode Island. This procedure is to be based on the schematics of the area and must include the proposed valves to be operated and the sequence of events to be followed. The operator failed to include all of the proposed valves to be operated during the purge.

This violation is based upon a review of the AGT Procedure 5-3010, the AGT Site Specific Purging Procedure and the AGT Investigation.

2. §192.605(a) Procedural manual for operations, maintenance, and emergencies

(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

The operator failed to follow AGT's complex written procedure 5-3010, section "Purging with Gas - General Requirements" related to the Review of Procedures, as outlined in AGT's Standard Operating Procedure Manual.

AGT Procedure 5-3010, Purging, requires the Site Specific Purging Procedures to be reviewed by Region Technical Staff (RTS). RTS did not review the procedures.

This violation is based upon a review of the AGT Procedure 5-3010, the AGT Site Specific Purging Procedure, and the AGT Root Cause Flow Diagram.

3. §192.605(a) Procedural manual for operations, maintenance, and emergencies

(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

The operator failed to follow AGT's complex written procedure 5-3010, section "Notifications" related to authorization of purging during certain hours, as outlined in AGT's Standard Operating Procedure Manual.

AGT Procedure 5-3010 limits the purging of odorized gas to the hours between 6:00 am and 7:00 pm unless otherwise authorized by the Director of Pipeline Integrity, Houston. The purge began at 12:57 am on October 23, 2008, with no authorization from the Director of Pipeline Integrity.

This violation is based upon a review of the AGT Procedure 5-3010, the AGT Site Specific Purging Procedure, and the AGT Root Cause Flow Diagram.

4. §192.605(a) Procedural manual for operations, maintenance, and emergencies

(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

The operator failed to follow AGT's complex written procedure 5-3010, section "Beginning the Purge" related to contact and review of the procedure with Gas Control, as outlined in AGT's Standard Operating Procedure Manual.

AGT Procedure 5-3010 requires the operator to contact Gas Control and review the purge procedure as soon as the stringer bead in the last tie-in weld has been completed. The purge was not to begin until this was done and the procedure was confirmed with Gas Control. This was not done.

This violation is based upon a review of AGT Procedure 5-3010, the AGT Site Specific Purging Procedure and the AGT Root Cause Flow Diagram.

5. §192.605(a) Procedural manual for operations, maintenance, and emergencies

(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

The operator failed to follow AGT's complex written procedure 5-3010, section "Reporting to Gas Control" related to reporting valve checks to Gas Control, as outlined in AGT's Standard Operating Procedure Manual.

Procedure 5-3010 requires the operator to report to Gas Control each time that a valve is checked, whether closed or opened, and the time the purge begins and ends in accordance with written procedures. This was not done.

This violation is based upon a review of AGT Procedure 5-3010 and the AGT Site Specific Purging Procedure.

6. §192.605(a) Procedural manual for operations, maintenance, and emergencies

(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

The operator failed to follow AGT's complex written procedure 5-3010, section "Reporting to Gas Control" related to the Purge Report Form, as outlined in AGT's Standard Operating Procedure Manual.

Procedure 5-3010 requires that the operator complete the Purge Report Form (Form #17-116) with the specific gravity/gas percent and inlet pressure. The form was not completed.

This violation is based upon a review of AGT Procedure 5-3010, the AGT Site Specific Purging Procedure and the fact that the completed Form #17-116 was not in the document file.

7. §192.605(a) Procedural manual for operations, maintenance, and emergencies

(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

The operator failed to follow the Site Specific Purging Procedure that is required in AGT's complex written procedure 5-3010, as outlined in AGT's Standard Operating Procedure Manual.

On the AGT Site Specific Purging Procedure, there are spaces designated for Date/Time and Initials of person performing tasks in the line shutdown and purge. The operator failed to completely perform this documentation.

This violation is based upon a review of AGT Procedure 5-3010 and the AGT Site Specific Purging Procedure.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any 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 \$69,000 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$13,800
2	\$13,800
3	\$13,800
4	\$13,800
5	\$13,800

Warning Items

With respect to items 6 and 7, 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 these items. Be advised that failure to do so may result in AGT being subject to 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. Be advised that all material you submit in response to this enforcement action is subject to being 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 1-2010-1001** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

S J Guibe (GUEBE) for B. Coy.

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

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

Cc: *Robert Smallcomb, PHMSA ER*