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

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

WARNING LETTER

EXPRESS OVERNIGHT DELIVERY

April 5, 2010

Mr. Randy Barnard
Vice President
Operations And Gas Control
Williams Gas Pipeline
2800 Post Oak Boulevard
Houston, Texas 77056

CPF 120103002W

Dear Mr. Barnard:

On July 21 to July 25, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code conducted an inspection on Carlstadt, NJ LNG facility.

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. §193.2619 Control systems.

(c) Control systems in service, but not normally in operation, such as relief valves and automatic shutdown devices, and control systems for internal shutoff valves for bottom penetration tanks must be inspected and tested once each calendar year, not exceeding 15 months, with the following exceptions:

(2) Control systems that are intended for fire protection must be inspected and tested at regular intervals not to exceed 6 months.

Section §193.2619 (c) requires that control systems intended for fire protection must be inspected and tested at regular intervals not to exceed 6 months.

During a field review at the time of the inspection, the operator stated that two detector heads in the compressor building are required to activate an Emergency Shutdown. The operator stated that this was never tried and proven.

2. §193.2711 Personnel health.

Each operator shall follow a written plan to verify that personnel assigned operating, maintenance, security, or fire protection duties at the LNG plant do not have any physical condition that would impair performance of their assigned duties. The plan must be designed to detect both readily observable disorders, such as physical handicaps or injury, and conditions requiring professional examination for discovery.

Section §193.2711 Personnel health, requires an operator to verify that personnel assigned operating, maintenance, security, or fire protection duties at the LNG plant do not have any physical condition that would impair performance of their assigned duties.

At the time of inspection, except for one new employee, no other employee records or documentation to verify that employees are medically fit to perform their assigned duties.

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. Also, for LNG facilities, an additional penalty of not more than $50,000 for each violation may be imposed. 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 correct the item(s) identified in this letter. Failure to do so will result in Williams Gas Pipeline being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 120103002W.** 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).

Sincerely,

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