

CNYOG

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CENTRAL NEW YORK OIL AND GAS COMPANY, LLC  
THE STAGECOACH NATURAL GAS STORAGE FACILITY

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June 30, 2011

Mr. Byron Coy, PE  
Director Eastern Region  
Pipeline and Hazardous Materials  
Safety Administration  
820 Bear Tavern Road  
Suite 103  
West Trenton, NJ 08628

RE: Notice of Probable Violation and Proposed Civil Penalty (CPF 1-2011-1010)

Mr. Coy,

This is in response to the Notice of Probable Violation and Proposed Civil Penalty (CPF 1-2011-1010) dated 5-31-2011. **Under Item #1 Transmission lines: Patrolling**... you stated that we have not performed our semi-annual inspections of our class 1&2 road and railroad crossings, so I have attached the crossing inspection reports in question. You indicated that a "CNYOG representative stated that patrols at highway and railroad crossings were made only once a year during annual leakage survey of the piping". We do make the inspections then, but it is also made one other time in order to comply with our procedure 301-1 that states we are required to make semi-annual inspections. This may have been a misunderstanding between the employee and the inspector. Attached are the crossing inspection reports for 2009 and 2010.

**Under Item #2 External corrosion control**.....Our pipeline has a cathodic protection system designed by Willbros Engineering and installed by ULS Construction that was in service at the same time the pipeline was placed in service. We have as stated 10 test stations along our 9 miles of ROW where we take CP readings and are in compliance with current DOT regulations. I do not understand the statement that we did not demonstrate that this 9-mile long pipeline installed and placed into service in 2008 has a cathodic protection system design to protect the pipeline with the requirements for corrosion control under Subpart I of part 192. We are using the high performance thin film epoxy coating on our pipeline as in compliance with 192.461 and because of it's superior performance and our soil conditions, anodes are all that are required to cathodically protect the short 9-mile long pipeline as required by 192.455a2. We meet the requirement of at least -.85 as taken from a saturated copper-copper sulfate half cell at all of our test stations. I do not see anywhere we would be required to do a Close Interval Survey. Based on the above and the attached, CNYOG does not believe it is in violation of the Part 192 regulations. To the extent PHMSA disagrees, CNYOG requests a hearing.

Thanks.

Sincerely,



Barry Cigich  
Vice President  
Storage Operations

BC/eb