



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

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

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

OVERNIGHT EXPRESS MAIL

August 27, 2012

Mr. Charles Denault, President
Interstate Storage and Pipeline Co.
400 Amherst Street, Suite 202,
Nashua, NH 03063

CPF 1-2012-5018

Dear Mr. Denault:

From May 16-20, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Interstate Storage and Pipeline Co. (ISPC), Bordentown's, New Jersey 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. §195.430 Firefighting equipment.

Each operator shall maintain adequate firefighting equipment at each pump station and breakout tank area. The equipment must be-
(a) In proper operating condition at all times;

ISPC failed to maintain firefighting equipment in proper operating condition at all times.

As noted in photos taken during the inspection, the Fire Water piping lacks permanent pipe support. The Fire pipeline was lying on wooden blocks that are not anchored to the ground. The pipe was not secured to the wooden blocks. Without affixing the pipe to supports that are anchored into the ground, the integrity of the fire water system cannot be assured.

2 §195.573 What must I do to monitor external corrosion control?

(c) Rectifiers and other devices. You must electrically check for proper performance each device in the first column at the frequency stated in the second column.

Rectifier....At least six times each calendar year, but with intervals not exceeding 2 ½ months.

ISPC failed to electrically check rectifiers for proper performance at least six times per year but with intervals not exceeding 2 ½ months. Records provided by the operator show that the inspections on the rectifiers to check for proper electrical operation were performed from February, 2008 through March, 2011 at intervals ranging from between 6 months to one year. Only 6 of the 20 checks required during the period noted above had been completed.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 3, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a 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 \$ 49,600 as noted below. With respect to item 1 we have reviewed the circumstances and supporting documents involved in this case and have decided not to assess a civil penalty.

<u>Item number</u>	<u>PENALTY</u>
2	\$ 49,600

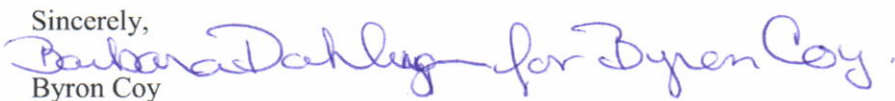
Proposed Compliance Order

With respect to item 1 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Interstate Storage Pipeline Co. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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.

Please submit all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2012-5018** on each document you submit, and please whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to Byron.Coy@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Interstate Storage and Pipeline Co a Compliance Order incorporating the following remedial requirements to ensure the compliance of ISPC with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to §195.430(a)
 - a. ISPC must install permanent supports for fire water piping.
 - b. This item shall be completed within 150 days of receipt of the Final Order.
2. All records and procedures submittals must be compiled in a final summary report demonstrating the work performed for all the above-mentioned items. The final summary report must be submitted to the Director within 30 days of the completion of the last action performed by ISPC that is set forth in this Compliance Order.
3. It is requested (not mandated) that ISPC maintains documentation of the safety improvement costs associated with fulfilling this Compliance Order and submits the total to Director. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.