



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

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

WARNING LETTER

EXPRESS OVERNIGHT MAIL

November 26, 2013

Mr. Barry Cigich
Vice President Operations and Engineering
Inergy Midstream
Two Brush Creek Boulevard, Suite 200
Kansas City, MO 64112

CPF 1-2013-1031W

Dear Mr. Cigich:

Between August 27-30, 2012, inspectors from the New York State Department of Public Service (NYSDPS), acting as agents for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the **Steuben Gas Storage Company** (Steuben Gas) public awareness program at Steuben Gas Storage facilities in Canisteo, NY 14823.

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. §192.616 Public Awareness

(a)...

- (i) The operator's program documentation and evaluation results must be available for periodic review by appropriate regulatory agencies.**

Steuben Gas failed to provide documentation under §192.616(i), related to the general program documentation recommendations under API 1162 Section 7.2 Program Recording, for API RP 1162 Section 8.3, for conducting a program evaluation.

Steuben Gas could not provide documentation that it conducted the required annual audits or reviews.

API RP 1162 Section 8.3 Measuring Program Implementation states that:

“The operator should complete an annual audit or review of whether the program has been developed and implemented according to the guidelines in this RP...” and “- Has the public Awareness Program been developed and written to address the objectives, elements and baseline schedule as described Section 2 and remainder of this RP?” and “- Has the Public Awareness Program been implemented and documented according to the written program?...?”

Steuben Gas did not provide documentation to support that they conducted the annual audits or reviews.

2. §192.616 Public awareness

(a) Except for an operator of a master meter or petroleum gas system covered under paragraph (j) of this section, each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, see § 192.7).

Steuben Gas failed to follow the general program recommendations of API RP 1162 Section 8.4.2, and failed to perform the effectiveness evaluations.

Steuben Gas did not conduct any part of the required effectiveness evaluation for API RP 1162 Section 8.4.2.

API RP 1162 Section 8.4.2 Measure 2– Understandability of the Content Message states that:

“Program effectiveness surveys are meant to validate the operator’s methodologies and the content of the materials used. Upon initial survey, improvements should be incorporated into the program based on the results. Once validated in this initial manner, a program effectiveness survey is only required about every four years. However, when the operator introduces major design changes in its Public Awareness Program a survey to validate the new approaches may be warranted...”

Steuben Gas did not provide documentation to support that they conducted the annual or the four year effectiveness evaluations.

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 4, 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. 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 Steuben Gas Storage Company being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, please address your correspondence to: Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628 and please refer to **CPF 1-2013-1031W**. 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
Pipeline and Hazardous Materials Safety Administration

Cc: Kevin Speicher, NYSDPS