

OCTOBER 8, 2014

Mr. Alan S. Armstrong
President and Chief Executive Officer
The Williams Companies, Inc.
2800 Post Oak Blvd, L-11
Houston, TX 77056

Re: CPF No. 1-2014-1002

Dear Mr. Armstrong:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$167,000. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated March 31, 2014. This enforcement action is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Byron E. Coy, PE, Director, Eastern Region, OPS
Mr. Josiah R. Neave, VP Safety and Regulatory Compliance, Transcontinental Gas Pipe
Line Company

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)	
)	
Transcontinental Gas Pipe Line Company,)	CPF No. 1-2014-1002
)	
Respondent.)	
)	

FINAL ORDER

On May 31, 2013, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), initiated an investigation of an incident that occurred at the Neshanic Station 505 facility operated by Transcontinental Gas Pipe Line Company (Transco or Respondent). Transco’s system has approximately 10,200 miles of pipeline extending from South Texas to New York City, and is a major provider of natural gas to the Eastern United States.¹

The investigation arose out of an incident that occurred on May 30, 2013 during maintenance work to install a new valve and tee section of piping as part of the Northeast Supply Link Modification Project.

As a result of the investigation, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated March 6, 2014, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Transco violated 49 C.F.R. § 192.751(b) and proposed assessing a civil penalty of \$167,000 for the alleged violation.

Transco responded to the Notice by letter dated April 2, 2014 (Response). The company did not contest the allegation of violation and paid the proposed civil penalty of \$167,000 as provided in 49 C.F.R. § 190.227. Payment of the penalty serves to close the case with prejudice to Respondent.

¹ See *Transco*, Williams Co., <http://co.williams.com/williams/operations/gas-pipeline/transco/> (last visited September 17, 2014).

FINDING OF VIOLATION

In its Response, Transco did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.751(b), which states:

§ 192.751 Prevention of accidental ignition.

Each operator shall take steps to minimize the danger of accidental ignition of gas in any structure or area where the presence of gas constitutes a hazard of fire or explosion, including the following:

(a)

(b) Gas or electric welding or cutting may not be performed on pipe or on pipe components that contain a combustible mixture of gas and air in the area of work.

The Notice alleged that Respondent violated 49 C.F.R. § 192.751(b) by failing to take steps to minimize the danger of accidental ignition of gas in an area where the presence of gas during welding pre-heat constituted a combustion hazard. Specifically, the Notice alleged that Transco failed to adequately monitor the work area where a 30-inch diameter cap was being welded, and therefore a combustible accumulation of gas was ignited by a propane torch. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.751(b) by failing to take steps to minimize the danger of accidental ignition of gas in an area where the presence of gas during welding pre-heat constituted a combustion hazard.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.² In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require. The Notice proposed a civil penalty of \$167,000 for the violation cited above.

² The Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, Pub. L. No. 112-90, § 2(a)(1), 125 Stat. 1904, January 3, 2012, increased the civil penalty liability for violating a pipeline safety standard to \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.

Item 1: The Notice proposed a civil penalty of \$167,000 for Respondent's violation of 49 C.F.R. § 192.751(b), for failing to take steps to minimize the danger of accidental ignition of gas in an area where the presence of gas during welding pre-heat constituted a combustion hazard. With respect to the nature, circumstances, and gravity, this was a serious violation and caused a flash fire. Transco is culpable for the violation and has neither contested the allegation nor presented any evidence or argument justifying a reduction in the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of **\$167,000** for violation of 49 C.F.R. § 192.751(b), which amount has already been paid by Respondent.

The terms and conditions of this Final Order [CPF No. 1-2014-1002] are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued