



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

1200 New Jersey Ave, S.E.
Washington, D.C. 20590

DEC 29 2015

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

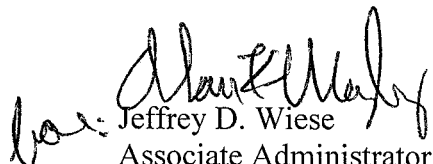
Re: CPF No. 1-2014-1009

Dear Mr. Armstrong:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and assesses a civil penalty of \$56,800. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated October 29, 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 Coy, Director, Eastern Region, OPS
Mr. Joe R. Neave, Vice President, Safety and Regulatory Compliance,
Gas Pipe Line Company
Ms. Marie G. Sotak, Manager, Pipeline Safety Gas and Liquids, Williams

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,)

Respondent.)
_____)

CPF No. 1-2014-1009

FINAL ORDER

From June 2, 2013 through October 24, 2013, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), and the New York Public Service Commission, conducted an on-site pipeline safety inspection of the facilities and records of Transcontinental Gas Pipe Line Company, LLC (Transco or Respondent), a subsidiary of The Williams Companies, Inc., related to Transco's Linden Unit 15121 and New York Unit 65651. 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

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated October 2, 2014, a Notice of Probable Violation and Proposed Civil Penalty (Notice), which also included warnings pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Transco had violated 49 C.F.R. § 192.745 and proposed assessing a civil penalty of \$56,800 for the alleged violation. The warning items required no further action, but warned the operator to correct the probable violation.

Transco responded to the Notice by letter dated November 4, 2014 (Response). The company did not contest the allegation of violation and paid the proposed civil penalty of \$56,800, as provided in 49 C.F.R. § 190.227. Payment of the penalty serves to close the case with prejudice to Respondent.

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:

¹ See http://co.williams.com/gulf_coast/transco/ (last accessed December 18, 2015).

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.745, which states:

§ 192.745 Valve maintenance: Transmission lines.

(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.

The Notice alleged that Respondent violated 49 C.F.R. § 192.745 by failing to inspect and partially operate each transmission line valve that might be required during any emergency at intervals not exceeding 15 months, but at least once each calendar year. Specifically, the Notice alleged that Transco failed to partially operate five valves in the Linden Unit during calendar years 2011 and 2012 and four valves in the New York Area unit during calendar year 2012. 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. § 192.745 by failing to inspect and partially operate each transmission line valve that might be required during any emergency at intervals not exceeding 15 months, but at least once each calendar year.

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 total civil penalty of \$56,800 for the violations cited above.

Item 1: The Notice proposed a civil penalty of \$56,800 for Respondent's violation of 49 C.F.R. § 192.745, for failing to inspect and partially operate each transmission line valve that might be required during any emergency at intervals not exceeding 15 months, but at least once each calendar year. Transco neither contested the allegation nor presented any evidence or argument justifying a reduction in the proposed penalty. Inspection and partial operation of valves that might be required during an emergency are necessary to ensure that they will be able to mitigate the effects of a gas release. Transco is fully culpable for the failure to complete these

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.

inspections. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$56,800 for violation of 49 C.F.R. § 192.745.

In summary, having reviewed the record and considered the assessment criteria for each of the Items cited above, I assess Respondent a total civil penalty of **\$56,800**. Transco paid the full penalty amount by wire transfer on October 29, 2014.

WARNING ITEMS

With respect to Items 2, 3, and 4, the Notice alleged probable violations of Part 192 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

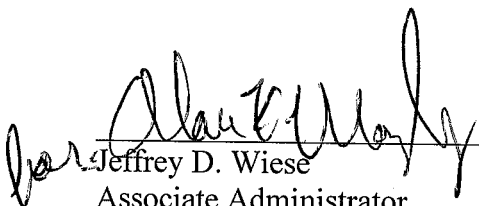
49 C.F.R. § 192.491 (**Item 2**) — Respondent's alleged failure to maintain a record of each inspection required by Subpart I of Part 192 in sufficient detail to demonstrate the accuracy of corrosion control measures or that a corrosive condition does not exist; and

49 C.F.R. § 192.605 (**Item 3**) — Respondent's alleged failure to follow its manual of written procedures for conducting operations and maintenance activities; and

49 C.F.R. § 192.709 (**Item 4**) — Respondent's alleged failure to maintain records of leakage surveys required by Subpart M of Part 192.

If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.



Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

DEC 29 2015

Date Issued