



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

OVERNIGHT EXPRESS DELIVERY

March 24, 2015

John Pustulka
President
National Fuel Gas Supply Corporation
6363 Main Street
Williamsville, NY 14221

CPF 1-2015-1005W

Dear Mr. Pustulka:

From September 15 - 18, 2014, an inspector 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 National Fuel Gas Supply Corporation (NFG) Limestone Storage facilities in Cattaraugus County, NY.

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. **§192.739 Pressure limiting and regulating stations: Inspection and testing.**
 - (a) **Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is—**

NFG failed to inspect each pressure limiting station, relief device (except rupture discs), and Pressure regulating station and its equipment at intervals not exceeding 15 months, but at least once each calendar year. Specifically, NFG failed to inspect Regulator Unit #5, located at the Limestone Storage Facility in NY, within a 15 month interval, as required by §192.739(a).

Regulator Unit #5 (RG 5) was inspected on the following dates:

1. August 22, 2012.
2. December 19, 2013. This is an interval of 15 months and 27 days.
3. October 21, 2014.

The inspection conducted on December 19, 2013 exceeded the 15 month requirement by 27 days.

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 items identified in this letter. Failure to do so will result in National Fuel Gas Supply Corporation being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 1-2015-1005W**. Please send all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. 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).

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

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

CC: NYSDPS – Mr. Kevin Speicher