

JM

December 16, 2016

Via email and Federal Express

Mr. Robert Burroughs
Acting Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
820 Bear Tavern Road, Suite 103
West Trenton, New Jersey 08628

**RE: CPF No. 1-2016-1007: Request for a Meeting
Alternative Request for a Hearing and Preliminary Statement of Issues**

Dear Mr. Burroughs:

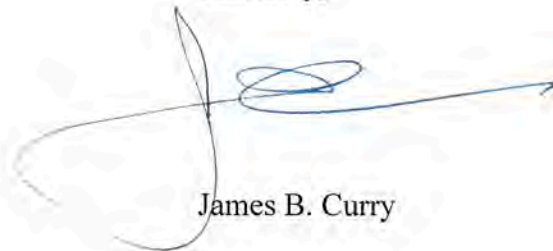
In response to the above-referenced Notice of Probable Violation and Proposed Compliance Order (Notice) issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA) on October 17, 2016, National Fuel Gas Supply Corporation (National Fuel) respectfully requests a meeting to discuss and resolve its concerns with the terms of the Proposed Compliance Order. National Fuel is optimistic that an informal meeting will allow the parties to appropriately address the issues raised by the region in the Notice.

National Fuel respectfully asserts that this matter should be resolved through a consent order under 49 C.F.R. § 190.219, rather than through the lengthy hearing process. Section 190.219 allows the Regional Director and the respondent to agree to resolve compliance order cases through execution of a consent agreement and order. The IR drop issues presented in the Notice are straightforward and there is no civil penalty proposed for this matter. National Fuel believes that these issues can be resolved more efficiently and with a better outcome for safety using the § 190.219 consent order mechanism than would be obtained in the hearing process.

In order to preserve its rights, National Fuel also submits a Request for Hearing pursuant to 49 C.F.R. § 190.211. National Fuel hopes that a hearing will not be necessary, and that the parties can resolve this matter in accordance with 49 C.F.R. § 190.219.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'James B. Curry', with a large, sweeping initial 'J' and a horizontal line extending to the right.

James B. Curry

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Counsel for National Fuel Gas Supply
Corporation

Enclosure

cc: Forrest Pittman, Eastern Region counsel (via email)

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY**

In the Matter of

National Fuel Gas Supply Corporation,

Respondent.

CPF No. 1-2016-1007

**REQUEST FOR HEARING AND PRELIMINARY STATEMENT OF ISSUES
IN RESPONSE TO NOTICE OF PROBABLE VIOLATION AND PROPOSED
COMPLIANCE ORDER**

I. Request for Hearing

Pursuant to 49 C.F.R. §§ 190.208(a)(4) and 190.211(b) (2016), National Fuel Gas Supply Corporation (National Fuel) respectfully requests an in-person hearing to discuss the alleged violation and proposed compliance order contained in the Notice of Probable Violation and Proposed Compliance Order (“Notice”) issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA) on October 17, 2016. National Fuel will be represented by counsel at the hearing.

Please note that National Fuel believes this matter should be resolved via a consent order under 49 C.F.R. § 190.219, rather than through the lengthy hearing process. In the cover letter to this document, National Fuel has requested a meeting for the purpose of discussing a potential consent order under 49 C.F.R. § 190.219. The IR drop issues presented in the Notice are straightforward and there is no civil penalty proposed in this matter. National Fuel believes that these issues can be resolved more efficiently and with a better outcome for safety using the 49 C.F.R. § 190.219 consent order mechanism than would be obtained in the hearing process.

II. Preliminary Statement of Issues

National Fuel respectfully contests the allegation of violation and the proposed compliance order contained in the Notice.

A. Notice Item 1 – 49 C.F.R. § 192.465(a)

1. Whether National Fuel violated 49 C.F.R. § 192.465(a) as alleged in the Notice.
 - a. Whether National Fuel determined that each of its pipelines in Pennsylvania under cathodic protection met the requirements of 49 C.F.R. § 192.463(a) by considering voltage (IR) drop in accordance with Part 192, Appendix D.
 - b. Proposed Compliance Order
 - i. Whether the record supports the need for the Proposed Compliance Order.
 - ii. Whether the proposed compliance order, as written, is unclear and sets out timeframes that are impracticable.
 - iii. Whether the proposed compliance order is overbroad, unreasonable, and must be withdrawn.

National Fuel reserves the right to supplement this preliminary statement of issues as needed based on any new information or argument provided by PHMSA in this matter.

Respectfully submitted this 16th day of
December 2016.



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