



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

1200 New Jersey Ave., S.E.
Washington, DC 20590

JUN 27 2017

Mr. Alan S. Armstrong
President and Chief Executive Officer
The Williams Companies, Inc.
One Williams Center
Tulsa, OK 74172

Re: CPF No. 1-2016-1009

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 \$39,700 against your subsidiary, Transcontinental Gas Pipe Line Company. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated November 16, 2016. This enforcement action is now closed. Service of the Final Order by certified mail is effective upon the date of mailing as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Director, Eastern Region, Office of Pipeline Safety, PHMSA
Ms. Stephanie Timmermeyer, VP, Safety and Regulatory Compliance, Transcontinental
Gas Pipe Line Company, 525 Central Park Drive, Oklahoma City, OK 73105

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.243, which states in relevant part:

§ 192.243 Nondestructive testing.

- (a)...
- (b) Nondestructive testing of welds must be performed:
 - (1) In accordance with written procedures; and
 - (2) ...

The Notice alleged that Respondent violated 49 C.F.R. § 192.243(b)(1) by failing to nondestructively test a weld in accordance with its written procedure, which references American Petroleum Institute Standard (API Std.) 1104. Specifically, Transco did not place an image quality indicator (IQI) across the repaired area of a repair weld as prescribed in API Std. 1104, subsection 11.1.6, "Placement of IQIs."

Respondent's *WilSOP Operations & Maintenance Manual Procedure 90.09.01 – Nondestructive Testing of Welds* states: "The purpose of this procedure is to establish the minimum requirements for Nondestructive Testing (NDT), inspection, and/or evaluation to meet or exceed NDT requirements as set forth in American Petroleum Institute (API) 1104, latest Pipeline and Hazardous Materials Safety Administration (PHMSA) accepted edition." Furthermore, API Std. 1104, section 11.1.6.1, "Film" describes the placement of IQI on films to be interpreted, and states, in pertinent part, that "[w]hen a repaired weld is radiographed, an additional IQI shall be placed across each repaired area."

During the inspection, PHMSA requested Line C NDT records for any welds that required repair. Transco provided x-ray files and records associated with ML-20 and its repair, ML-20R. Upon review of the files and records, the PHMSA inspector found no evidence of an IQI being placed across the repaired area of the weld. Transco was alerted to this issue and subsequently re-radiographed the repaired weld ML-20R with proper IQI placement, as required by its written procedures and API Std. 1104.

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. § 192.243(b)(1) by failing to nondestructively test a weld in accordance with its written procedure that references API Std. 1104, which requires an additional IQI to be placed across each repaired area of a weld that is radiographed.

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

ASSESSMENT OF PENALTY

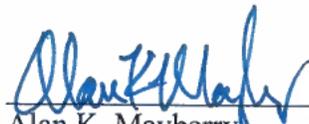
Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any

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 \$39,700 for the violations cited above.

Item 1: The Notice proposed a civil penalty of \$39,700 for Respondent's violation of 49 C.F.R. § 192.243(b), for failing to nondestructively test a weld in accordance with its written procedure which references API Std. 1104. As previously discussed, contrary to respondent's *WilsOP Operations & Maintenance Manual Procedure 90.09.01 – Nondestructive Testing of Welds*, Transco did not utilize an IQI over the repaired area of the weld. Transco neither contested the allegation nor presented any evidence or argument justifying a reduction in or elimination of the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$39,700 for violation of 49 C.F.R. § 192.243(b)(1).

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 **\$39,700**. Transco paid the full penalty amount by wire transfer on November 16, 2016.

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



Alan K. Mayberry
Associate Administrator
for Pipeline Safety

JUN 27 2017

Date Issued

² These amounts are adjusted annually for inflation. See Pipeline Safety: Inflation Adjustment of Maximum Civil Penalties, 82 Fed. Reg. 19325 (April 27, 2017).