

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

OVERNIGHT EXPRESS DELIVERY

November 21, 2016

Mr. Gary Buchler
Chief Operating Officer, Natural Gas Pipelines
Tennessee Gas Pipeline Company
1001 Louisiana Street, Suite 1001
Houston, TX 77002-5089

CPF 1-2016-1012

Dear Mr. Buchler:

From August 18, 2015 to October 8, 2015, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected Tennessee Gas Pipeline Company's (TGP) (a subsidiary of Kinder Morgan Liquid Terminals, LLC) pipeline facilities in Units 2911 Div E/Mercer District #219 - PA and 2701 Div F/Hopkinton District #267 - MA/NH/RI.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

1. §192.605 Procedural Manual for Operations, Maintenance, and Emergencies.

(a) *General.* Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. . . .

(b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) . . .

(2) Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part.

TGP's procedure for monitoring atmospheric corrosion failed to provide specific guidance on how to give particular attention to pipe at pipe supports in accordance with §192.481(b).

During the inspection, the PHMSA inspector reviewed Kinder Morgan O&M Procedure 918, Inspecting for Atmospheric Corrosion, revised 2013-06-01. Section 3.2, Atmospheric Corrosion Monitoring and Inspection Frequency, states in part that:

“ . . .During inspection, give particular attention to the following components:

- . . .
- Pipe supports and wear pads
- . . .

Pipe that is not visually accessible (e.g. pipe under insulation, under clamps or supports, piping through walls or floors, etc.) and where evidence of atmospheric corrosion would not be apparent if present must be inspected visually by removing clamps, supporting the pipe while the pipe supports are removed, etc. In these cases a program may be developed where pipe is visually inspected in selected critical areas or using predetermined inspection locations (i.e. inspection ports) until a minimal risk level is determined. These programs must be reviewed and approved by the appropriate Division Corrosion Supervisor. Alternately, jacketing or other obstructions may be removed and the total system visually inspected. In lieu of visual inspection, an NDE method approved by the Manager, Corrosion Control that would detect the presence of atmospheric corrosion may be used. . . ”

The procedure failed to provide:

- a. Details such as:
 - i. Criteria for selecting the method for inspecting pipe at pipe supports and wear pads when the pipe is not visually accessible.
 - ii. Individual(s) responsible for making the decision on what method to use.
 - iii. Documentation of the selected method.
 - iv. Communication of selected method to personnel conducting the inspection.
- b. Details for minimizing the risk if a line is lifted off the supports, or if the supports are removed to permit inspection, such as reducing pressure in the line.
- c. Requirements for documenting inspection of pipe at pipe supports and wear pads.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violations occurring between January 4, 2012 and August 1, 2016, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$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 related series of violations. The Compliance Officer has reviewed

the circumstances and supporting documentation involved in the above probable violation, and has recommended that you be preliminarily assessed a civil penalty of \$34,500 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$34,500

Proposed Compliance Order

With respect to Item Number 1, pursuant to 49 United States Code § 60118, PHMSA proposes to issue a Compliance Order to TGP. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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). Failure to respond within 30 days of receipt of this Notice constitutes a waiver of your right to contest the allegations in this Notice, and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

In your correspondence on this matter, please refer to **CPF 1-2016-1012** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to [Company name] a Compliance Order incorporating the following remedial requirements to ensure Tennessee Gas Pipeline Company's (TGP) compliance with the pipeline safety regulations:

1. With regard to Item Number 1 of the Notice pertaining to TGP's failure to provide specific guidance for performing inspections at pipe supports in accordance with §192.481(b), TGP must update its procedures to provide guidance for performing atmospheric corrosion inspections on pipelines at pipe supports. The procedures shall be revised within 60 days of receipt of the Final Order.
2. TGP shall inspect the piping at pipe supports in Units 2911 Div E/Mercer District #219 - PA and 2701 Div F/Hopkinton District #267 - MA/NH/RI (see map for unit boundaries) in accordance with the revised procedures, within 12 months of issuance of the Final Order.
3. TGP must complete the requirements as outlined above. All documentation demonstrating compliance with each of the items outlined in this proposed compliance order must be submitted to Byron Coy, PE, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration, Suite 103, Bear Tavern Road, West Trenton, NJ, within the time frames stated for each item.
4. It is requested (not mandated) that TGP maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order, and submit the total to Byron Coy, PE, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.