

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

**VIA ELECTRONIC MAIL TO: jim.fedena@pbfenergy.com**

February 5, 2021

Mr. Jim Fedena  
Senior Vice President, Logistics  
Paulsboro Natural Gas Pipeline Company, LLC  
4550 Wrangle Hill Road  
Delaware City, DE 19706

**CPF 1-2021-002-NOPV**

Dear Mr. Fedena:

From February 27, 2020 to October 2, 2020, 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 (U.S.C.) inspected Paulsboro Natural Gas Pipeline Company, LLC's (Paulsboro) transmission pipeline system in Gloucester, New Jersey and Delaware, Pennsylvania.

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

**1. § 192.625 Odorization of gas.**

**(a) ...**

**(f) To assure the proper concentration of odorant in accordance with this section, each operator must conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable...**

Paulsboro failed to conduct periodic sampling of combustible gases using an instrument capable

of determining the percentage of gas in air at which the odor becomes readily detectable.

During the inspection, the PHMSA inspector reviewed Paulsboro's form F-192.625, dated 10-2015. The form indicated that gas odorant levels shall be verified by sniff and/or laboratory analysis. Upon request for records of instrumented periodic sampling between 2017 and 2020 for its odorized, primarily class 3 transmission pipeline, Paulsboro failed to provide any records of such tests being performed, and/or the interval at which it was performed.

Therefore, Paulsboro failed to conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable in accordance with § 192.625(f).

**2. § 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. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.**

Paulsboro failed to follow its manual of written procedures for conducting operations and maintenance activities. Specifically, Paulsboro failed to follow its *P-192.481 Atmospheric Corrosion* Procedure, effective date 12/2017 (AC Procedure) by failing to record grading of the atmospheric corrosion condition observed during a 2020 atmospheric corrosion inspection.

During the inspection, the PHMSA inspector reviewed Paulsboro's Atmospheric Corrosion Control Record, F-192.491, for an atmospheric corrosion inspection conducted on 8/10/2020 at the Spectra Junction/Paulsboro, along with Paulsboro's related AC Procedure. The AC Procedure, Section C, stated in part:

The atmospheric corrosion condition of a given site will be visually evaluated and graded for compliance of state and federal regulations. Three grading scales will be utilized to determine the nature and severity of corrosion. The three grades used to determine the atmospheric condition will be Good, Fair, and Poor.

The record reviewed presented no data field entries for the grading of the atmospheric corrosion condition in accordance with the grading scale found in the AC Procedure.

Therefore, Paulsboro failed to follow its AC Procedure, as required by § 192.605(a).

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, 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. We have reviewed the circumstances and supporting documentation involved for the above probable violation(s) and recommend that you be preliminarily assessed a civil penalty of \$46,600 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$46,600

Warning Item(s)

With respect to Item 2, 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 promptly correct these item(s). Failure to do so may result in additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement 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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 190.211. If you do not respond within 30 days of receipt of this Notice, this 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. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from the receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 1-2021-002-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Robert Burrough  
Director, Eastern Region  
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Enforcement Proceedings*