



U.S. Department
of Transportation

**Research and
Special Programs
Administration**

400 Seventh St., S.W.
Washington, D.C. 20590

AUG - 8 2003

Mr. Walter Ferguson
Vice President, Operations
Centerpoint Energy Gas Transmission
Post Office Box 21734
525 Milam Street
Shreveport, LA 71151

Re: CPF No. 2-2003-1006

Dear Mr. Ferguson:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$34,000. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. §190.5.

I acknowledge receipt of, and accept the wire transfer dated April 17, 2003, in the amount of \$34,000 as payment in full of the civil penalty. This case is now closed and no further enforcement actions is contemplated with respect to the matters involved in this case. Thank you for your cooperation in our joint effort to ensure pipeline safety.

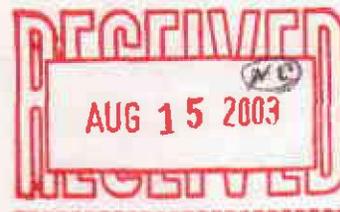
Sincerely,

for

Gwendolyn M. Hill
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

CERTIFIED MAIL - RETURN RECEIPT REQUESTED



DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590

In the Matter of)
)

Centerpoint Energy Gas Transmission,)
)

Respondent)
)

CPF NO. 2-2003-1006

FINAL ORDER

Between June and September of 2002, pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS) conducted an on-site safety inspection of Respondent's facilities and records in Arkansas, Missouri, Mississippi, and Tennessee. As a result of the inspection, the Director, Southern Region, OPS, issued to Respondent by letter dated March 11, 2003, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent committed violations of 49 C.F.R. Part 192 and proposed assessing a civil penalty of \$34,000 for the alleged violations.

FINDINGS OF VIOLATION

Respondent responded by letter dated March 11, 2003, and did not contest the alleged violation of §§ 192.703, 192.465(a), 192.465(d) in the Notice. Accordingly, I find that Respondent violated 49 C.F.R. Part 192, as more fully described in the Notice:

49 C.F.R. §192.703(a) – failure to maintain records of line JM-37 in accordance with Subpart M prior to 2001;

49 C.F.R. §192.465(a) – failure to test the cathodic protection test stations at least once a year, with intervals not exceeding 15 months; and

49 C.F.R. §192.465(d) – failure to take prompt remedial action to correct the deficiencies indicated by the monitoring;

The Notice (Item 12) alleged that Respondent had violated 49 C.F.R. §192.731(c), by alleging that the Emergency Shutdown System inspection and test at Hobbs Compressor Station exceeded 15 months by 39 days (6/13/2000 to 10/22/2001). Although Respondent waived its right to contest by paying the penalty, in its response, Respondent noted that the ESD system at Hobbs station was tested twice in 2001, but that the January 4, 2001 test was not entered into the record keeping system.

This does not excuse the failure to have the records available for the inspector at the time of the inspection. Accordingly, I find that Respondent violated the following section of Part 192:

49 C.F.R. §192.709(c) – failure to have a record of an Emergency Shutdown System inspection and test at Hobbs Compressor Station available.

These findings will be considered as prior offenses in any subsequent enforcement action against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed \$100,000 per violation for each day of the violation up to a maximum of \$1,000,000 for any related series of violations.

49 U.S.C. § 60122 and 49 C.F.R. §190.225 require that, in determining the amount of the civil penalty, I consider the following criteria: nature, circumstances, and gravity of the violation, degree of Respondent's culpability, history of Respondent's prior offenses, Respondent's ability to pay the penalty, good faith by Respondent in attempting to achieve compliance, the effect on Respondent's ability to continue in business, and such other matters as justice may require.

Accordingly, having reviewed the record and considered the assessment criteria, I assess a civil penalty of \$34,000, already paid by Respondent. The terms and conditions of this Final Order are effective upon receipt.



for Stacey Gerard
Associate Administrator
for Pipeline Safety

AUG - 8 2003

Date Issued