

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

October 24, 2010

Ms. Aneice R. Liddell  
Mayor,  
City of Moss Point  
4412 Denny St.  
Moss Point, MS 39563

**CPF 2-2010-0001S**

Dear Mayor Liddell:

Enclosed is a Notice of Proposed Safety Order (Notice) issued in the above-referenced case. The Notice proposes that you take certain measures with respect to your Moss Point and Escatawpa distribution systems to ensure pipeline safety. Your options for responding are set forth in the Notice. Your receipt of the Notice constitutes service of that document under 49 C.F.R. § 190.5.

We look forward to a successful resolution to ensure pipeline safety. Please direct any questions on this matter to me at (404) 832-1160.

Sincerely,

Wayne T. Lemoi  
Director, Southern Region  
Office of Pipeline Safety  
Pipeline and Hazardous Materials Safety Administration

Enclosure: Notice of Proposed Safety Order, Exhibit A: Correction Status and copy of 49 CFR §190.239

**DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
SOUTHERN REGION  
ATLANTA, GA 30303**

_____ )	
<b>In the Matter of</b> )	
)	
<b>The city of Moss Point, MS</b> )	<b>CPF No. 2-2010-0001S</b>
)	
<b>Respondent</b> )	
_____ )	

**NOTICE OF PROPOSED SAFETY ORDER**

**Background and Purpose**

Pursuant to Chapter 601 of title 49, United States Code, the Pipeline and Hazardous Materials Safety Administration (PHMSA) and the Pipeline Safety Division of the Mississippi Public Service Commission (MSPSC), have initiated an on-site investigation and information review of the safety of your Moss Point and Escatawpa distribution systems in Mississippi.

As a result of the on-site investigation and information review, it appears that a condition or conditions exist on your pipeline facilities that pose a pipeline integrity risk to public safety, property or the environment. Pursuant to 49 U.S.C. § 60117(l), PHMSA issues this Notice of Proposed Safety Order, notifying you of the preliminary findings of the investigation, and proposing that you take measures to ensure that the public, property, and the environment are protected from the potential risk.

**Preliminary Findings**

- The city of Moss Point Natural Gas System consists of two systems; the Moss Point system and the Escatawpa system. The systems are contained within the State of Mississippi. The systems are natural gas distribution systems. Moss Point files one annual report each year covering both systems. The systems consist of steel and polyethylene plastic main and service pipelines. The mains range from 15 miles of 2-inch to 4 miles of 8 -12-inch with 90 miles of pipe of unknown diameter.

- Since 2007, the MSPSC has conducted several inspections and issued non-compliance notifications to the operator. The MSPSC sent non-compliance letters to Moss Point on August 16, 2007, March 25, 2008, December 10, 2008, July 15, 2009, and February 10, 2010. Some corrective actions remain uncompleted. See Exhibit A.
- Based upon the nature of the conditions found in past inspections, the conditions that exist on your Moss Point and Escatawpa distribution systems may continue to pose a pipeline integrity risk unless the corrective actions are completed.
- The probability is high that the long term serviceability of the distribution systems could be adversely impacted if the city of Moss Point does not take the corrective actions that have been communicated by the MSPSC in previous inspections.
- The systems distribute natural gas to residences and commercial businesses. The operating pressures are typical of natural gas distribution systems with pressures ranging up to 90 pounds per square inch gauge (psig).
- According to the 2000 Census, Moss Point had a population of 17,653 people, 6,714 households, and 5,228 families residing in the city with a density of 634 people per square mile.
- Moss Point, MS is a community in Jackson County in the Gulf Coast Region of Southern Mississippi. Moss Point adjoins inland waterways and coastal marsh. Moss Point borders Pascagoula, MS, on the north side of Pascagoula. The city was on the east side of Hurricane Katrina which caused flooding and extensive damage to the city.
- Of the 109 miles of mains in the system, steel mains comprise 26 miles and polyethylene plastic totals 83 miles. Of the 2347 service lines, 30 are steel and 2317 are polyethylene plastic. Of the 109 miles of main, 34 miles were constructed in the years 1990-1999 and 60 miles were constructed in the years 2000-2009 with 15 miles unknown when construction occurred.

### **Proposed Issuance of Safety Order**

Section 60117(l) of Title 49, United States Code, provides for the issuance of a safety order, after reasonable notice and the opportunity for a hearing, requiring corrective measures, which may include physical inspection, testing, repair, or other action, as appropriate. The basis for making the determination that a pipeline facility has a condition or conditions that pose a pipeline integrity risk to public safety, property, or the environment is set forth both in the above-referenced statute and 49 C.F.R. § 190.239, a copy of which is enclosed.

After evaluating the foregoing preliminary findings of fact and considering the age of the pipe involved, the manufacturer, the hazardous nature of the product transported and the pressure required for transporting such product, the characteristics of the geographical areas where the

pipeline facility is located, and the likelihood that the conditions could worsen or develop on other areas of the pipeline and potentially impact its serviceability, it appears that the continued operation of the affected pipeline without corrective measures would pose a pipeline integrity risk to public safety, property, or the environment.

Accordingly, PHMSA issues this Notice of Proposed Safety Order to notify Respondent of the proposed issuance of a safety order and to propose that Respondent take measures specified herein to address the potential risk.

### **Response to this Notice**

In accordance with § 190.239, you have 30 days following receipt of this Notice to submit a written response to the official who issued the Notice. If you do not respond within 30 days, this constitutes a waiver of your right to contest 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 Safety Order. In your response, you may notify that official that you intend to comply with the terms of the Notice as proposed, or you may request that an informal consultation be scheduled (you will also have the opportunity to request an administrative hearing before a safety order is issued). Informal consultation provides you with the opportunity to explain the circumstances associated with the risk condition(s) alleged in the notice and, as appropriate, to present a proposal for a work plan or other remedial measures, without prejudice to your position in any subsequent hearing. If you and PHMSA agree within 30 days of informal consultation on a plan and schedule for you to address each identified risk condition, we may enter into a written consent agreement (PHMSA would then issue an administrative consent order incorporating the terms of the agreement). If a consent agreement is not reached, or if you have elected not to request informal consultation, you may request an administrative hearing in writing within 30 days following receipt of the Notice or within 10 days following the conclusion of an informal consultation that did not result in a consent agreement, as applicable. Following a hearing, if the Associate Administrator finds the facility to have a condition that poses a pipeline integrity risk to the public, property, or the environment in accordance with § 190.239, the Associate Administrator may issue a safety order.

Be advised that all material you submit in response to this enforcement action is subject to being 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).

In your correspondence on this matter, please refer to CPF **2-2010-0001S** and for each document you submit, please provide a copy in electronic format whenever possible.

### **Proposed Corrective Measures**

Pursuant to 49 U.S.C. § 60117(l) and 49 C.F.R. § 190.239, PHMSA proposes to issue to The City of Moss Point a safety order incorporating the following remedial requirements with respect to the affected pipeline:

1. The city of Moss Point must immediately change its leak investigation procedures to only allow gas operation personnel to respond to leak notifications from customers and the public. Moss Point must not allow non-gas operation personnel (water department personnel) to respond to leak calls.
2. The city of Moss Point must expedite its plans to leak survey the business district with commencement beginning no later than five (5) days of receipt of this Notice.
3. The city of Moss Point must expand the scope of the business district leak survey to include the entire natural gas systems (Moss Point and Escatawpa). The leak survey of the entire system must start no later than December 13, 2010.
4. The city of Moss Point must repair all grade 1 leaks identified by the surveys in items 2 and 3 by repair methods meeting Part 192 and industry standards for gas distribution pipelines.
5. The section of plastic main repaired with a band clamp designed for water pipe repairs discovered by the MSPSC on October 8, 2010, must be repaired immediately by repair methods meeting Part 192 and industry standards for gas distribution pipelines. Moss Point must identify other locations where the improper repair method (band clamp designed for water pipe) has been used on other leaks on plastic mains. The locations must be repaired by repair methods meeting Part 192 and industry standards for gas distribution pipelines.
6. Within sixty (60) days after a safety order is issued, develop and submit to the Director for approval a written remedial work plan that includes corrective measures. The work plan must include:
  - (A) The correction of all outstanding violations identified by the MSPSC and set out in Exhibit A. Additional detail regarding these violations and the necessary compliance actions to correct them may be obtained by contacting Mr. Mark McCarver, Director Pipeline Safety Division, MSPSC at (601) 961-5475.
  - (B) A proposed schedule for completion of the actions required by paragraphs (A) of this Item.

7. Revise the remedial work plan as necessary to incorporate new information obtained during the evaluations and associated remedial activities. Submit any such plan revisions to Wayne T. Lemoi, Director, Office of Pipeline Safety, PHMSA Southern Region and to Mark McCarver, Director, Pipeline Safety Division, MSPSC for prior approval. The Directors may approve plan elements incrementally. The remedial work plan shall become incorporated into the safety order.
8. Implement the work plan as it is approved by Wayne T. Lemoi, Director, Office of Pipeline Safety, PHMSA Southern Region including any revisions to the plan.
9. Submit quarterly reports to both Directors that: (1) include available data and results of the testing and evaluations required by the safety order; and (2) describe the progress of the repairs and other remedial actions being undertaken.
10. An extension of time may be grant by Wayne T. Lemoi, Director, Office of Pipeline Safety, PHMSA Southern Region for compliance with any of the terms of the safety order upon a written request timely submitted demonstrating good cause for an extension.
11. Respondent may appeal any decision of Wayne T. Lemoi, Director, Office of Pipeline Safety, PHMSA Southern Region to the Associate Administrator for Pipeline Safety. Decisions of the Associate Administrator shall be final.

The actions proposed by this Notice of Proposed Safety Order are in addition to and do not waive any requirements that apply to Respondent's pipeline system under 49 C.F.R. Parts 190 through 199, under any other order issued to Respondent under authority of 49 U.S.C. § 60101 et seq., or under any other provision of Federal or state law.

After receiving and analyzing additional data in the course of this proceeding and implementation of the work plan, PHMSA and MPSC may identify other safety measures that need to be taken. In that event, Respondent will be notified of any proposed additional measures and, if necessary, amendments to the work plan or safety order.

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Wayne T. Lemoi  
 Director, Southern Region  
 Office of Pipeline Safety  
 Pipeline and Hazardous Materials Safety Administration

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Date issued

## Exhibit A

Non Compliance Letter Date	Code Section Cited	Corrective Action Completed?
8/16/2007	199.5 DOT Procedures	Yes
	199.101 Anti-drug plan	Yes
	199.113 Employee assistance program	Yes
	199.115 Contractor employees	Yes
3/25/2008	192.465 External corrosion control: Monitoring	No
	192.463 External corrosion control: Cathodic protection	No
12/10/2008	192.727 Abandonment or deactivation of facilities.	No
	192.479 Atmospheric Corrosion Control	No
	192.517 Records	No
	192.723(b)(1) Distribution systems: Leakage surveys.	No
	192.743 (c) Pressure limiting and regulating stations: Capacity of relief devices	No
	192.459 Examination of Buried Pipe When Exposed	No
	192.481 Atmospheric Corrosion Control, Monitoring	No
7/15/2009	191.11 Annual Report	Yes
	192.16(b) Customer Notification	Yes
	192.723(b)(1) Distribution systems: Leakage surveys.	No
	192.747(a) Valve maintenance: Distribution systems.	No
2/10/2010	192.513(c) Test requirements for Plastic Pipelines	No
	192.741 Pressure limiting and regulating stations: Telemetering or recording gauges.	No