

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 24, 2015

Mr. Richard Keyser
Sr. Vice President Operations
Texas Gas Transmission, LLC
9 Greenway Plaza, Suite 2800
Houston, TX 77046

CPF 2-2015-1002

Dear Mr. Keyser:

On March 9-12, 2015, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), Southern Region inspected the Texas Gas Transmission, LLC (TGT) Fayetteville Lateral in Mississippi and Arkansas, pursuant to Chapter 601 of 49 United States Code.

As a result of the inspection, it appears that TGT has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are as follows:

- 1. §192.167 Compressor stations: Emergency shutdown.**
 - (a) Except for unattended field compressor stations of 1,000 horsepower (746 kilowatts) or less, each compressor station must have an emergency shutdown system that meets the following:**
 - ... (2) It must discharge gas from the blowdown piping at a location where the gas will not create a hazard.¹**

¹ Note that §192.167 was last amended on July 13, 1998

TGT did not configure the emergency shutdown system (ESD) at its Bald Knob compressor station so as to discharge gas from the blowdown piping at a location where the gas will not create a hazard.

During the PHMSA inspection, the inspector observed and took pictures of ESD trip station vents near the compressor building and other locations at the compressor station. The vents were oriented vertically and would discharge natural gas at an elevation of approximately 3 to 5 feet above the ground in the event of an ESD activation. The discharge of natural gas at these locations in this configuration could create a hazard to individuals.

2. **§192.199 Requirements for design of pressure relief and limiting devices. Except for rupture discs, each pressure relief or pressure limiting device must:**
... (e) **Have discharge stacks, vents, or outlet ports designed to prevent accumulation of water, ice, or snow, located where gas can be discharged into the atmosphere without undue hazard;**²

TGT's blowdown discharge stacks for its meter stations were not located so as to discharge gas into the atmosphere without undue hazard.

During the PHMSA inspection, the inspector observed and took pictures of blowdown discharge stacks at the Midge #2 and Southeast Rainbow #1 meter stations. The blowdown discharge stacks at the tap valve were oriented vertically to discharge gas at an elevation of approximately 3 to 5 feet above the ground. Vented natural gas could create an undue hazard to individuals near the discharge stack in the event the discharge stacks were activated.

Proposed Civil Penalty

Under 49 United States Code, § 60122, TGT is subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$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 a related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violations and has recommended that TGT be preliminarily assessed a civil penalty of \$72,300 as follows:

<u>Item number</u>	<u>Penalty</u>
1	\$ 36,000
2	\$ 36,300

² Note that §192.199 was last amended on November 17, 1970

Proposed Compliance Order

With respect to items 1 and 2, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Texas Gas Transmission, LLC. 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. 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). 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.

In your correspondence on this matter, please refer to **CPF 2-2015-1002** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Wayne T. Lemoi
Director, Office of Pipeline Safety
PHMSA Southern Region

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 Texas Gas Transmission, LLC (TGT) a Compliance Order incorporating the following remedial requirements to ensure the compliance of TGT with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to the improperly configured emergency shutdown system (ESD) blowdown piping vents at the Bald Knob compressor station, TGT must complete the following:
 - a. No later than 30 days after issuance of the Compliance Order,
 - i. Conduct a survey of all compressor stations on the Fayetteville Lateral and Greenville Lateral pipelines to identify all improperly configured ESD blowdown piping vents where the discharge of gas from the vents could create a hazard.
 - ii. Provide written documentation to the Director, Office of Pipeline Safety, PHMSA Southern confirming that all the compressor stations on the Fayetteville Lateral and Greenville Lateral pipelines were surveyed and that all improperly configured ESD blowdown piping vents were identified.
 - b. No later than 45 days after issuance of the Compliance Order, provide to the Director, Office of Pipeline Safety, PHMSA Southern Region a written schedule for modifying all the improperly configured ESD blowdown piping vents at all the compressor stations on the Fayetteville Lateral and Greenville Lateral pipelines.
 - c. No later than 60 days after issuance of the Compliance Order,
 - i. Modify all the improperly configured ESD blowdown piping vents at all the compressor stations on the Fayetteville Lateral and Greenville Lateral pipelines so that any discharged gas will not create a hazard if an ESD is activated.
 - ii. Provide documentation to the Director, Office of Pipeline Safety, PHMSA Southern Region demonstrating that TGT has completed the modifications required by Item 1.c.i.
2. In regard to Item 2 of the Notice pertaining to the improperly configured blowdown stacks on the Fayetteville Lateral line, TGT must complete the following:
 - a. No later than 30 days after issuance of the Compliance Order,
 - i. Conduct a survey of its pipeline facilities along the Fayetteville Lateral and Greenville Lateral pipelines to identify all improperly configured discharge stacks, vents, or outlet ports where vented natural gas could create an undue hazard in the event the discharge stacks, vents, or outlet ports were activated.
 - ii. Provide written documentation to the Director, Office of Pipeline Safety, PHMSA Southern confirming that all pipeline facilities were surveyed and that all discharge stacks, vents, or outlet ports were identified.
 - b. No later than 45 days after issuance of the Compliance Order provide to the Director, Office of Pipeline Safety, PHMSA Southern Region a written schedule for modifying

all improperly configured discharge stacks, vents, or outlet ports on the Fayetteville Lateral and Greenville Lateral pipelines.

- c. No later than 60 days after issuance of the Compliance Order,
 - i. Modify all improperly configured discharge stacks, vents, or outlet ports on the Fayetteville Lateral and Greenville Lateral pipelines so that any discharged gas will not create a hazard if any gas is discharged.
 - ii. Provide documentation to the Director, Office of Pipeline Safety, PHMSA Southern Region demonstrating that TGT has completed the modifications required by Item 2.c.i.

3. It is requested (not mandated) that TGT maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Wayne T. Lemoi, Director, Southern Region – Office of Pipeline Safety, 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.