

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 2, 2016

Mr. Richard Keyser
Gulf South Pipeline Company, LP
Senior Vice President of Operations
9 Greenway Plaza, Suite 2800
Houston, Texas 77046

CPF 2-2016-1001W

Dear Mr. Keyser:

On October 19-22, 2015, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Gulf South Pipeline Company's (Gulf South) records in Petal, Mississippi.

As a result of the inspection, it appears that Gulf South has committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation is:

1. §192.706 Transmission lines: Leakage surveys.

Leakage surveys of a transmission line must be conducted at intervals not exceeding 15 months, but at least once each calendar year. However, in the case of a transmission line which transports gas in conformity with §192.625 without an odor or odorant, leakage surveys using leak detector equipment must be conducted—

(a) In Class 3 locations, at intervals not exceeding 7½ months, but at least twice each calendar year;

Gulf South did not provide evidence that it conducted leakage surveys using leak detector equipment on a transmission pipeline, which transports gas without an odor or odorant, in Class 3 locations at least twice each calendar year, at intervals not exceeding 7 ½ months.

Gulf South records did not indicate leakage surveys were conducted in 2014 and 2015 for all Class 3 locations on line MS100-001 where gas is transported without an odor or odorant, as required. On April 29, 2014, Gulf South determined sections of Line MS100-001 (which transports gas without an odor or odorant) were within Class 3 locations. Gulf South's leak survey records for 2014 and 2015, reviewed in October 2015, did not

document all Class 3 locations along Line MS100-001 were surveyed using leak detector equipment. Gulf South records documented the following:

- On July 7, 2014, a leakage survey using gas detection equipment was conducted on line MS100-001 from Mile Post 0.937 (Station 49+47) to Mile Post 2.207 (Station 116+53). The records do not document instrumented leakage surveys were conducted on line MS100-001 in the following Class 3 locations:
 - Station 26+93 to station 32+69
 - Station 47+71 to Station 49+47
 - Station 116+53 to Station 152+85 (north of Forrest Compressor Station)
 - Station 136+75 to Station 208+85 (west of Forrest Compressor Station)
- On January 26 and February 26, 2015, leakage surveys using gas detection equipment were conducted on Line MS100-001 from Station 49+48 to Station 116+57, Station 71+79 to Station 152+85, and Station 136+75 to Station 208+85. The records do not document instrumented leakage surveys were conducted on line MS100-001 in the Class 3 location from Station 26+93 to Station 32+69.

Under 49 United States Code, § 60122, you are 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. 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 correct the items identified in this letter. Failure to do so will result in Gulf South being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 2-2016-1001W**. 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).

Sincerely,

Chris Taylor
Acting Director, Office of Pipeline Safety
PHMSA Southern Region