



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Avenue SE
Washington DC 20590

OCT 31 2017

Mr. Alan S. Armstrong
President and Chief Executive Officer
Transcontinental Pipeline Company, LLC
Williams Partners, LP
One Williams Center
Tulsa, OK 74172

Re: CPF No. 2-2017-1002

Dear Mr. Armstrong:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation, assesses a civil penalty of \$53,500, and specifies actions that need to be taken by Transcontinental Pipeline Company, LLC, a subsidiary of Williams Partners, LP, to comply with the pipeline safety regulations. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated July 19, 2017. When the terms of the compliance order are completed, as determined by the Director, Southern Region, this enforcement action will be closed. Service of the Final Order by certified mail is effective upon the date of mailing as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. James A. Urisko, Director, Southern Region, Office of Pipeline Safety, PHMSA
Mr. Mark Cluff, Vice President, Safety and Operational Discipline, Williams Partners,
LP, 2800 Post Oak Boulevard, Houston, Texas 77056

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

_____))
In the Matter of))

))
Transcontinental Pipeline Company, LLC,)
a subsidiary of Williams Partners, LP,)

CPF No. 2-2017-1002

))
Respondent.))
_____)

FINAL ORDER

From October 24 through November 17, 2016, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Transcontinental Pipeline Company, LLC (Transco or Respondent), in Mississippi, Georgia, and South Carolina. Transco, a subsidiary of Williams Partners, LP (Williams), operates approximately 10,200 miles of gas pipelines in the United States.¹

As a result of the inspection, the Director, Southern Region, OPS (Director), issued to Respondent, by letter dated May 12, 2017, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Transco had committed a violation of 49 C.F.R. § 191.5(a) and proposed assessing a civil penalty of \$53,500 for the alleged violation. The Notice also proposed finding that Transco had committed a violation of 49 C.F.R. § 192.475(a) and proposed ordering Respondent to take certain measures to correct the alleged violation. Finally, the Notice alleged two probable violations and, pursuant to § 190.205, warned the operator to correct them or face possible enforcement action.

Williams, on behalf of Transco, responded to the Notice by letter dated June 16, 2017 (Response). The company did not contest the allegations of violation and subsequently paid the proposed civil penalty of \$53,500 by wire transfer on July 19, 2017. In accordance with 49 C.F.R. § 190.208(a)(1), such payment authorizes the Associate Administrator to make findings of violation and to issue this final order.

¹ Transco website, available at http://co.williams.com/gulf_coast/transco/ (last accessed August 30, 2017).

FINDINGS OF VIOLATION

In its Response, Williams, on behalf of Transco, did not contest the allegations in the Notice that Transco violated 49 C.F.R. Parts 191 and 192, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 191.5(a), which states:

§ 191.5 Immediate notice of certain incidents.

(a) At the earliest practicable moment following discovery, but no later than one hour after confirmed discovery, each operator must give notice in accordance with paragraph (b) of this section of each incident as defined in § 191.3.

The Notice alleged that Respondent violated 49 C.F.R. § 191.5(a) by failing to give notice of an incident at the earliest practicable moment following discovery, but no later than one hour after confirmed discovery.² Specifically, the Notice alleged that Transco failed to notify the National Response Center of the unintentional release of natural gas exceeding 3 million cubic feet that occurred on August 11, 2016.³

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 191.5(a) by failing to give notice of an incident at the earliest practicable moment following discovery, but no later than one hour after confirmed discovery.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 192.475(a), which states:

§ 192.475 Internal corrosion control: General.

(a) Corrosive gas may not be transported by pipeline, unless the corrosive effect of the gas on the pipeline has been investigated and steps have been taken to minimize internal corrosion.

The Notice alleged that Respondent violated 49 C.F.R. § 192.475(a) by failing to investigate the effect of corrosive gas on the pipeline and failing to take steps to minimize internal corrosion. Specifically, the Notice alleged that Transco operates a natural gas storage field at Station 77 in Seminary, Mississippi, but did not investigate the corrosive effects of the gas being transported between the storage caverns and dehydration plants, or take any steps necessary to minimize internal corrosion of any pipelines within these storage fields.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all

² 49 C.F.R. § 191.3(1)(iii) defines the term “Incident” to include the “[u]nintentional estimated gas loss of three million cubic feet or more.”

³ On August 11, 2016, a relief valve at the Clarke County Exchange facility unintentionally released an estimated 3.2 million cubic feet of natural gas.

of the evidence, I find that Respondent violated 49 C.F.R. § 192.475(a) by failing to investigate the effect of corrosive gas on the pipeline and failing to take steps to minimize internal corrosion.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.⁴ In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require. The Notice proposed a total civil penalty of \$53,500 for Item 1.

Item 1: The Notice proposed a civil penalty of \$53,500 for Respondent's violation of 49 C.F.R. § 191.5(a), for failing to give notice, at the earliest practicable moment following discovery but no later than one hour after confirmed discovery, of an incident. Transco neither contested the allegation nor the proposed penalty amount. Accordingly, Respondent is assessed a civil penalty of \$53,500 for violation of §191.5(a), which has already been paid by wire transfer on July 19, 2017.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 2 in the Notice for violation of 49 C.F.R. § 192.475(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 192.475(a) (**Item 2**), Respondent must:
 - a. Investigate the corrosive effects of gas on the pipelines between the dehydration plants and the storage caverns at Station 77 within 30 days of receipt of the Final Order;

⁴ These amounts are adjusted annually for inflation. *See, e.g.*, Pipeline Safety: Inflation Adjustment of Maximum Civil Penalties, 82 Fed. Reg. 19325 (April 27, 2017).

- b. Determine what steps, if any, are necessary to minimize internal corrosion on the pipelines between the compressor station and the storage caverns or storage field piping based on its investigation of the corrosive effects of the gas in Item 1(a) above within 60 days of receipt of this Final Order, and implement them within 120 days of receipt of the Final Order; and
- c. Submit to the Director, Southern Region, OPS, PHMSA, documentation demonstrating satisfactory completion of Items 1(a) and 1(b) above within 150 days of receipt of the Final Order.

It is requested, but not mandated, that Transco maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director, Southern Region, OPS, PHMSA. It is further 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.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

WARNING ITEMS

With respect to Items 3 and 4, the Notice alleged probable violations of Part 192 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

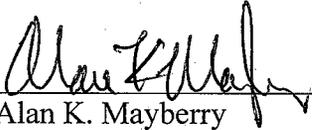
49 C.F.R. § 192.605(a) **(Item 3)** — Respondent's alleged failure to follow its own manual of written procedures for conducting maintenance activities by not following Section 60.02.02 of Transco's *Operation & Maintenance Manual* for completing *Form WGP 0132C WilSOP Control Valve Inspection Report*; and

49 C.F.R. § 192.605(a) **(Item 4)** — Respondent's alleged failure to follow its manual of written procedures for conducting maintenance activities by not securing the block valve and bypass valves at Valve Site SN-20 to prevent accidental or unauthorized operation.⁵

⁵ In an email dated June 22, 2017, Respondent provided evidence to PHMSA that the control box on the SN-20 lateral block valve was locked at the time of the PHMSA inspection.

If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.



Alan K. Mayberry
Associate Administrator
for Pipeline Safety

OCT 31 2017

Date Issued