

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 16, 2017

Darin L. Houchin, P.E.  
Executive Vice President  
Utility Safety and Design, Inc.  
1927 Miller Dr.  
Olney, IL 62450

**CPF 2-2017-1007W**

Dear Mr. Houchin:

From June 19 - 23, 2017, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) inspected the records and procedures for the United States Gypsum (USG) Bridgeport pipeline in Bridgeport, AL, pursuant to Chapter 601 of 49 United States Code (U.S.C.). The USG Bridgeport pipeline is operated by Utility Safety and Design, Inc. (USDI),

As a result of the inspection, it is alleged that USDI committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

**1. § 192.947 What records must an operator keep?**

**An operator must maintain, for the useful life of the pipeline, records that demonstrate compliance with the requirements of this subpart. At minimum, an operator must maintain the following records for review during an inspection.**

**(a) ...**

**(b) Documents to support any decision analysis and process developed and used to implement and evaluate each element of the baseline assessment plan and integrity management program. Documents include those developed and used in support of any identification, calculation, amendment, modification, justification, deviation and determination made, and any action taken to implement and evaluate any of the program elements;**

USDI failed to comply with the regulation because it did not maintain records demonstrating compliance with Subpart O of CFR Part 192.

In July and August of 2014, in-line inspection (ILI) tools were run on the USG Bridgeport pipeline in support of the continuing assessment requirements of Subpart O. USDI could not produce records justifying the selection of ILI tools. More specifically, USDI could not produce records demonstrating that, in accordance with 192.921(a), the selected method was suitable to address the threats identified on the covered segment or that, in accordance with 192.921(a)(1), the selection of ILI tools followed Section 6.2 of ASME/ANSI B31.8S (incorporated by reference, see §192.7).

2. **§ 192.917 How does an operator identify potential threats to pipeline integrity and use the threat identification in its integrity program?**

(a) ...

**(b) *Risk Assessment.* An operator must conduct a risk assessment that follows ASME/ANSI B31.8S, section 5, and considers the identified threats for each covered segment. An operator must use the risk assessment to prioritize the covered segments for the baseline and continual reassessments (§§192.919, 192.921, 192.937), and to determine what additional preventive and mitigative measures are needed (§192.935) for the covered segment.**

USDI failed to comply with the regulation because it did not use a risk assessment to prioritize covered segments on the USG Bridgeport pipeline for baseline and continual reassessments.

When asked for the risk assessment showing the prioritization of covered segments, USDI produced a report, dated July 12, 2010, titled “Bridgeport IMP Threat Analysis.” The analysis evaluated threats to the pipeline within known high consequence areas (HCAs), but did not include a risk assessment that prioritized the covered segments for the baseline and continual reassessments. USDI did not provide any additional risk assessment or prioritization documentation for the USG Bridgeport pipeline.

3. **§ 192.603 General provisions.**

(a) ...

**(b) Each operator shall keep records necessary to administer the procedures established under § 192.605.**

USDI failed to comply with the regulation because it did not keep records demonstrating that it established and maintained liaison with appropriate fire, police, and other public officials to exchange the information required by § 192.615(c).

When asked for records demonstrating that USDI had met with and exchanged the required information with the above-referenced public officials, USDI personnel described meetings with personnel from various public offices, but indicated that they did not have records of either the meetings or the information that was discussed.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists up to a maximum of \$2,090,022 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 USDI 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 2-2017-1007W**. 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,

James A. Urisko  
Director, Office of Pipeline Safety  
PHMSA Southern Region