

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 28, 2017

Bryan Batson
President
Chattanooga Gas Company
10 Peachtree Place NE
Atlanta, GA 30309

CPF 2-2017-3001W

Dear Mr. Batson:

From August 28 - 31, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety, inspected the Chattanooga Gas Company (CGC) liquefied natural gas (LNG) facility, records, and procedures in Chattanooga, Tennessee, pursuant to Chapter 601 of 49 United States Code (U.S.C.).

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

1. §191.29 National Pipeline Mapping System.

(a) ...

(b) The information required in paragraph (a) of this section must be submitted each year, on or before March 15, representing assets as of December 31 of the previous year. If no changes have occurred since the previous year's submission, the operator must comply with the guidance provided in the NPMS

Operator Standards manual available at www.npms.phmsa.dot.gov or contact the PHMSA Geographic Information Systems Manager at (202) 366-4595.

CGC failed to meet the regulation because it did not submit a “No Change Notification” in accordance with the guidance provided in the NPMS Operator Standards manual, on or before March 15, 2017, representing its assets as of December 31, 2016. CGC e-mailed its “No Change Notification” on August 25, 2017.

2. §193.2719 Training: records.

(a) Each operator shall maintain a system of records which—

(1) ...

(2) Provide evidence that personnel have undergone and satisfactorily completed the required training programs.

CGC failed to meet the regulation because it did not maintain a system of records which provided evidence that personnel had undergone and satisfactorily completed required training programs.

§193.2715(b) requires that a written plan of continuing instruction must be conducted at intervals of not more than two years to keep all personnel having security duties current on the knowledge and skills they gained in the program of initial instruction.

A required component of CGC’s continuing security training is the review of its Security Manual. At the time of PHMSA’s inspection, CGC could not produce records demonstrating two employees’ successful completion of the “Security Manual Review” at intervals of not more than two years. Training records for the two employees showed completion of initial security training in September, 2010, and April, 2015, respectively, with no documentation of any subsequent “Security Manual Reviews.”

It should be noted that, upon discovery of the gap in records, CGC revised its process for work order assignment and security training record management.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, CGC is 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. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. Also, for LNG facilities, an additional penalty of not more than \$76,352 for each violation may be imposed. 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 CGC to correct the items identified in this letter. Failure to do so will result in CGC 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 2-2017-3001W**. 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