

September 16, 2019

Mr. Daniel R. Revers
Managing Partner
ArcLight Capital Holdings, LLC
200 Clarendon Street, 55th Floor
Boston, Massachusetts 02116

Re: CPF No. 2-2018-1005

Dear Mr. Revers:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and finds that Mississippi Hub, LLC, a subsidiary of ArcLight Capital Holdings, LLC, operated by Enstor Gas, LLC, has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now 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 Urisko, Director, Southern Region, Office of Pipeline Safety, PHMSA
Mr. Hugh Berglund, Director of Operations, Mississippi Hub, LLC, 2925 Briarpark
Drive, Suite 850, Houston, Texas 77042
Mr. Paul Bieniawski, Chief Executive Officer, Enstor Gas, LLC, 10375 Richmond
Avenue, Suite 1900, Houston, Texas 77042

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

_____)
In the Matter of)

Mississippi Hub, LLC,)
a subsidiary of ArcLight Capital Holdings, LLC,)

Respondent.)
_____)

CPF No. 2-2018-1005

FINAL ORDER

From April 23 through 26, 2018, pursuant to 49 U.S.C. § 60117, a representative 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 Mississippi Hub, LLC (MS Hub or Respondent), in Mississippi. This facility consists of a gas storage field, compressor station, and approximately 30 miles of transmission pipeline in Covington, Jefferson Davis, and Simpson Counties, Mississippi.¹ In February 2019, ArcLight Capital Holdings, LLC (ArcLight) acquired MS Hub from Spectra Energy.² Ensor Gas, LLC, an affiliate of ArcLight, now manages operations at the MS Hub facility.³

As a result of the inspection, the Director, Southern Region, OPS (Director), issued to Respondent, by letter dated July 18, 2018, a Notice of Probable Violation and Proposed Compliance Order (Notice), which also included a warning pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that MS Hub violated 49 C.F.R. § 192.805 and proposed ordering Respondent to take certain measures to correct the alleged violation. The warning item required no further action, but warned the operator to correct the probable violation or face possible future enforcement action.

MS Hub responded to the Notice by letter dated August 10, 2018 (Response). Respondent contested the allegation of violation and requested a hearing. The company also contested the warning item and requested that the item be withdrawn. However, pursuant to 49 C.F.R. § 190.205, PHMSA does not adjudicate warning items.

¹ Pipeline Safety Violation Report (Violation Report), (July 19, 2018) (on file with PHMSA), at 1.

² <https://www.pehub.com/2019/01/arclight-to-acquire-sempra-energys-non-utility-u-s-natural-gas-storage-facilities/> (last accessed July 30, 2019).

³ *Id*; see also Ensor's website, available at <https://www.enstorinc.com/mississippi-hub-storage.html> (last accessed July 30, 2019).

By letter dated November 30, 2018, Respondent withdrew its request for a hearing and thereby authorized the entry of this Final Order without further notice.

FINDING OF VIOLATION

The Notice alleged that Respondent violated 49 C.F.R. Part 192, as follows:

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 192.805, which states:

§ 192.805 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

- (a) Identify covered tasks;
- (b) Ensure through evaluation that individuals performing covered tasks are qualified;
- (c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified;
- (d) Evaluate an individual if the operator has reason to believe that the individual's performance of a covered task contributed to an incident as defined in Part 191;
- (e) Evaluate an individual if the operator has reason to believe that the individual is no longer qualified to perform a covered task;
- (f) Communicate changes that affect covered tasks to individuals performing those covered tasks;
- (g) Identify those covered tasks and the intervals at which evaluation of the individual's qualifications is needed;
- (h) After December 16, 2004, provide training, as appropriate, to ensure that individuals performing covered tasks have the necessary knowledge and skills to perform the tasks in a manner that ensures the safe operation of pipeline facilities; and
- (i) After December 16, 2004, notify the Administrator or a state agency participating under 49 U.S.C. Chapter 601 if the operator significantly modifies the program after the administrator or state agency has verified that it complies with this section. Notifications to PHMSA may be submitted by electronic mail to InformationResourcesManager@dot.gov, or by mail to ATTN: Information Resources Manager DOT/PHMSA/OPS, East Building, 2nd Floor, E22-321, New Jersey Avenue SE., Washington, DC 20590.

The Notice alleged that Respondent violated 49 C.F.R. § 192.805 by not following its written qualification program. Specifically, the Notice alleged that MS Hub did not follow the requirements in its Operator Qualification (OQ) program to evaluate the appropriateness and effectiveness of established span of control limits.

In its Response, MS Hub initially contested this allegation of violation, claiming that it conducts periodic reviews to assess, among other things, the appropriateness and effectiveness of task-specific span of control limits, and attached supporting documents from the two most recent reviews conducted in March 2017 and March 2018. Respondent further alleged that the Notice did not establish how the span of control ratios for the cited covered tasks are either inapplicable or ineffective, or how they constituted a violation of § 192.805. After informal consultation with OPS, MS Hub agreed to review and update its span of control limits for all covered tasks in its OQ program to ensure each is appropriate and effective. Following these discussions, on November 30, 2018, MS Hub sent a letter to OPS withdrawing the portion of its Response contesting the Notice and requesting a hearing.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 192.805 by not following its written qualification program.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 2 in the Notice for violation of 49 C.F.R. § 192.805. 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. The Director indicates that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 192.805 (**Item 2**), Respondent has reviewed and updated the span of control limits for all covered tasks in its OQ program to ensure each is appropriate and effective.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

WARNING ITEM

With respect to Item 1, the Notice alleged probable violations of Part 192 but did not propose a civil penalty or compliance order for this item. Therefore, this is considered to be a warning item. The warning was for:

- 49 C.F.R. § 192.13(c) (**Item 1**) — Respondent's alleged failure to follow its established procedures for minimizing the detrimental effects of stray currents, as required by 49 C.F.R. § 192.473(a).

If OPS finds a violation of this provision 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.

September 16, 2019

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued