

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 19, 2019

Ms. Michele Harradence
Vice President
Gas Transmission & Midstream Operations
Sabal Trail Transmission, LLC
5400 Westheimer Court
Houston, Texas 77056

CPF 2-2019-1001

Dear Ms. Harradence:

From October 16, 2016 through April 7, 2017, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected construction activities and records related to Sabal Trail Transmission (STT) pipeline construction project in Alabama, Georgia, and Florida.

As a result of the inspection, it is alleged that STT 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. §192.225 Welding procedures.

(a) Welding must be performed by a qualified welder in accordance with welding procedures qualified under section 5 of API 1104.

STT failed to comply with the regulation because welding was not performed in accordance with procedures qualified under Section 5 of API 1104 on at least 2 welds. Specifically, STT did not adhere to the pre-heat requirements specified in the procedure qualification record throughout the welding process, as required under Section 5 of API 1104. API Standard 1104, titled "Welding of Pipelines and Related Facilities," 20th Edition, is incorporated by reference in § 192.7.

Section 5 of API 1104 prescribes the required parameters and variables to be considered when qualifying a welding procedure. Section 5.4.2.13, titled "Pre-heat," states that "A decrease in the specified minimum pre-heat temperature constitutes an essential variable." STT Welding Procedure Specifications (WPS) BCS-422.1 and BCS-122.2 (the primary

welding procedures for main line welding and station piping, respectively), were developed in accordance with API 1104. These welding procedures were qualified using a minimum preheat and interpass temperature of 250° F. A decrease in the minimum preheat temperature from the original welding qualification during production requires requalification of the welding procedure.

Representatives of PHMSA observed construction activity at STT's Hildreth Compressor Station on December 5, 2016, and Spread 3 of the main line construction on February 1, 2017. PHMSA representatives observed welding being performed in accordance with STT's WPS BCS-122.2 and WPS BCS-422.1, respectively. During these site visits, the PHMSA representatives observed pre-heat temperatures for at least two welds that were not maintained at a minimum of 250° F immediately prior to welding, as required by the above-referenced welding procedures.

2. §192.235 Preparation for welding.

Before beginning any welding, the welding surfaces must be clean and free of any material that may be detrimental to the weld, and the pipe or component must be aligned to provide the most favorable condition for depositing the root bead. This alignment must be preserved while the root bead is being deposited.

STT failed to comply with the regulation because the alignment of the pipe or component being welded was not preserved while the root bead was being deposited.

As documented in STT reports, titled "Delayed Weld Examination (ML)" and "Welding Preheat Report," dated March 28, 2017, and January 18, 2018, respectively, STT identified and cut out thirty (30) cracks during construction. Thirteen (13) of these cracks were described as longitudinal crack defects. Per STT's "Crack Cut Out and Repair Log," dated March 7, 2017, the probable cause was the pipe was moved "*before sufficient weld metal was deposited*" for several of these welds, refer to the descriptions listed in the column labeled, "Comments."

3. §192.505 Strength test requirements for steel pipeline to operate at a hoop stress of 30 percent or more of SMYS.

(a) ...

(d) For fabricated units and short sections of pipe, for which a post installation test is impractical, a preinstallation strength test must be conducted by maintaining the pressure for at least 4 hours.

STT failed to comply with the regulation because it did not demonstrate that it was impractical to conduct post installation tests for fabricated units and short sections of pipe. Specifically, STT did not demonstrate the impracticality of post installation tests for prefabricated main line valve assemblies.

In its report, titled "Mainline Valve Hydrostatic Test Assessment Report," dated January 18, 2018, the justification provided as to why it was impractical to perform post installation hydrostatic testing of the mainline valves was that STT wanted to minimize the possibility of damaging the valve seats caused by dirt, debris and weld slag getting

into the seats during filling, hydrostatic testing, dewatering and drying of the pipeline. Upon PHMSA’s request, however, STT was unable to provide any evidence, historical or otherwise, of valve seats damaged during a post installation hydrostatic pressure test on any previous pipeline construction project. STT also failed to provide any evidence that its own valves had been damaged due to dirt, debris and weld slag entering the valve seats during filling, hydrostatic testing, dewatering and drying of the pipeline.

It should be noted that PHMSA representatives confirmed that STT complied with the requirements of §§192.503(b)(2) and 192.517(a)(7) which require that dirt, debris and/or weld slag be removed during the construction. §192.503(b)(2) states, in part, that, “...*The test medium must be liquid...relatively free of sedimentary materials,*” and §192.517(a)(7) states, in part, that, “...*Each operator shall make, and retain for the useful life of the pipeline, a record of each test performed under §§192.505 and 192.507. The record must contain at least the following information...Leaks and failures noted and their disposition.*” Furthermore, STT Construction Specifications (CS) CSPL1.8 and CS1.5, titled “Onshore Pipeline and Meter Stations,” and “Onshore Compressor Stations,” respectively, state, in part, “*Prior to being aligned and welded into the line, each pipe joint shall be thoroughly inspected for presence of debris. If debris is visible, each joint shall be swabbed to remove all debris to the satisfaction of the Engineer.*”

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$213,268 per violation per day the violation persists, up to a maximum of \$2,132,679 for a related series of violations. For violations occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. 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. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$52,500 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$52,500

Warning Items

With respect to Items 2 and 3, we 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 promptly correct these items. Failure to do so may result in additional enforcement action.

Proposed Compliance Order

With respect to Item 1 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Sabal Trail Transmission, LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 2-2019-1001** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Sabal Trail Transmission, LLC (STT) a Compliance Order incorporating the following remedial requirements to ensure the compliance of STT with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to STT's failure to ensure that welding processes followed established welding procedures qualified in accordance with API 1104, STT must:
 - a. Perform an in-line inspection to specifically detect and evaluate cracks in girth welds for the entire pipeline, including laterals. 30 days prior to each run, STT must notify the Director, Office of Pipeline Safety (OPS), PHMSA Southern Region, of the planned start and completion date(s) of all inspection tool runs.
 - b. Provide a written report to the Director, OPS, PHMSA Southern Region, describing the tool or tools to be used. This report shall include the validation for the selected tool(s), the tool or tools' performance specifications, and a detailed description of the criteria to be used for the verification, evaluation, prioritization and corrective action of any identified integrity threats.
 - c. Perform an analysis of the data returned from the inspection required by 1a. The results shall be evaluated per a performance specification specific to girth weld anomalies by qualified individual(s).
 - d. Excavate a minimum of two girth welds to verify the tool or tools' performance.
 - e. Take corrective action based the prioritization of any integrity threats and anomalies that are identified. STT shall provide OPS Southern Region written quarterly status reports summarizing the integrity threats and anomalies identified and the corrective action taken to date.
 - f. Make available for OPS inspection all records and documentation showing the completion of ILI assessment and any corrective actions.
2. STT must complete the above items within the following time requirements:
 - a. Within 60 days of receipt of the Final Order, complete the requirements of Item 1b.
 - b. Within 180 days of receipt of the Final Order, complete the requirements of Item 1a.
 - c. Within 30 days of the completion of each run conducted per Item 1a, make available for OPS inspection all records and documentation of completion of the run.
 - d. Within 60 days of the successful completion of the ILI run required by Item 1a, complete the data analysis required by Item 1c.
 - e. Within 30 days of the successful completion of the data analysis required by 1c, complete the excavations required by Item 1d.
 - f. Within 30 days of completion of the last corrective action taken per Item 1f, comply with Item 1g.

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