

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 9, 2020

Mr. Rene Casadaban
Chief Executive Officer
BBT ALATENN, LLC
1501 McKinney St., Suite 800
Houston, TX 77010

CPF 2-2020-1002

Dear Mr. Casadaban:

From October 21 to October 24, 2019, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected BBT ALATENN, LLC (ALATENN) records and facilities in Mississippi and Alabama. ALATENN is a subsidiary of Black Bear Transmission, LLC.

As a result of the inspection, it is alleged that ALATENN 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. §192.161 Supports and anchors.

(a) Each pipeline and its associated equipment must have enough anchors or supports to:

(1) ...

(3) Prevent or damp out excessive vibration.

(b) Each exposed pipeline must have enough supports or anchors to protect the exposed pipe joints from the maximum end force caused by internal pressure and any additional forces caused by temperature expansion or contraction or by the weight of the pipe and its contents.

(c) Each support or anchor on an exposed pipeline must be made of durable, noncombustible material and must be designed and installed as follows:

(1) ...

- (2) Provision must be made for the service conditions involved.**
- (3) Movement of the pipeline may not cause disengagement of the support equipment.**

ALATENN failed to comply with the regulation because certain regular/meter station anchors were not maintained in compliance with the requirements of §192.161(a)(3), §192.161(b), §192.161(c)(2) and §192.161(c)(3). Specifically, at the time of the inspection, PHMSA personnel noted supports constructed of stacked concrete block material in deteriorating condition and a misaligned configuration at the Packaging Corporation of America regulator/meter station in Hardin County, Tennessee. The referenced supports were not capable of preventing or damping out excessive vibration, not made of durable material suitable for the service conditions involved, and were not designed and installed to prevent disengagement of the support equipment in the event of pipeline movement.

- 2. §192.463 External corrosion control: Cathodic protection.**
 - (a) Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in Appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria.**

Appendix D to Part 192 - Criteria for Cathodic Protection and Determination of Measurements

1. Criteria for cathodic protection –

A...

B. Aluminum structures.

(1) Except as provided in paragraphs (3) and (4) of this paragraph, a minimum negative (cathodic) voltage shift of 150 millivolts, produced by the application of protective current. The voltage shift must be determined in accordance with sections II and IV of this appendix.

(2) Except as provided in paragraphs (3) and (4) of this paragraph, a minimum negative (cathodic) polarization voltage shift of 100 millivolts. This polarization voltage shift must be determined in accordance with sections III and IV of this appendix.

(3) Notwithstanding the alternative minimum criteria in paragraphs (1) and (2) of this paragraph, aluminum, if cathodically protected at voltages in excess of 1.20 volts as measured with reference to a copper-copper sulfate half cell, in accordance with section IV of this appendix, and compensated for the voltage (IR) drops other than those across the structure-electrolyte boundary may suffer corrosion resulting from the build-up of alkali on the metal surface. A voltage in excess of 1.20 volts may not be used unless previous test results indicate no appreciable corrosion will occur in the particular environment.

(4) Since aluminum may suffer from corrosion under high pH conditions, and since application of cathodic protection tends to increase the pH at the metal surface, careful investigation or testing must be made before applying cathodic protection to stop pitting attack on aluminum structures in environments with a natural pH in excess of 8.

ALATENN failed to meet the regulation because it did not provide a level of cathodic protection that complied with one or more of the applicable criteria contained in Appendix D of Part 192. Specifically, ALATENN did not use the appropriate criteria referenced in Appendix D for cathodic protection of an aluminum pipeline.

During PHMSA's inspection, it was revealed that ALATENN relied on a negative (cathodic) voltage of at least 0.85 volt and referenced to a saturated copper-copper sulfate half cell to demonstrate adequate cathodic protection of the Wise Alloys lateral. The Wise Alloys lateral is an aluminum pipeline included in the ALATENN pipeline system. Section I.A of Appendix D to Part 192 states this criterion applies to steel, cast iron, and ductile iron structures. Criteria for cathodic protection of aluminum structures, however, are covered by Section I.B of Appendix D.

3. §192.605 Procedural manual for operations, maintenance, and emergencies.

(a) *General.* Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(2) Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part.

ALATENN failed to follow its manual of written procedures for controlling corrosion in accordance with the operations and maintenance (O&M) requirements of Subpart I of 49 CFR Part 192. Specifically, ALATENN did not follow the requirements of its O&M Program regarding protective coatings referenced in the ALATENN Coating Manual.

PHMSA's records review revealed that a section of the Florence Sheffield 6-inch lateral was recoated on December 16, 2015, following a dig related to an External Corrosion Direct Assessment (ECDA). Records reviewed indicated that a 2-inch steel water line crossed, and made direct contact with, the 6-inch lateral. The referenced records further indicated that the 6-inch lateral was recoated with a mastic and overcoated with a fabric mesh tape. The recoated area was then partially sleeved with PVC at the water line crossing. At the time of PHMSA's inspection, this coating system and repair approach was not contained in the ALATENN Coating Manual. Moreover, operator personnel could not provide any documentation showing that this was an adopted, approved repair method.

4. §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) ...

(g) Documents to carry out the requirements in §192.923 through 192.929 for a direct assessment plan;

ALATENN failed to meet the regulation because it did not maintain, for the useful life of the pipeline, records demonstrating compliance with the requirements of this subpart. Specifically, ALATENN did not maintain records documenting aspects of direct assessments conducted on its Decatur 6-inch, Decatur 8-inch, Florence Sheffield 6-inch, and Florence Sheffield 8-inch laterals.

At the time of PHMSA’s inspection, ALATENN’s direct assessment plan required the completion of ECDA pre-assessment reports. Section 8.1 of the ECDA pre-assessment report, titled “Data Collection and Preliminary Review,” stated that historical and operational data must be documented to perform the pre-assessment. Section 8.1 referred to Table 1 of NACE SP0502, titled “ECDA Data Elements,” for a list of the data that must be gathered. Section 8.2 of the pre-assessment report, titled “Field Visit,” required the following field and right-of-way (ROW) information also be collected and documented:

- Identification of current ROW’s conditions
- Evaluation of existing corrosion conditions (e.g. rectifiers, test stations, test lead, ground bed, galvanic anodes, junction boxes)
- Collection of missing data elements needed to complete feasibility analysis of conducting ECDA
- Correction of Substandard or adverse condition prior to subsequent phases of the project”

At the time of PHMSA’s inspection, ALATENN personnel were unable to produce any records demonstrating that the information required by Sections 8.1 and 8.2 of ALATENN’s pre-assessment report was collected and documented for the October 2015, ECDA pre-assessments on ALATENN’s Decatur 6-inch, Decatur 8-inch, Florence Sheffield 6-inch, and Florence Sheffield 8-inch laterals.

Proposed Compliance Order

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation 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.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to propose a civil penalty assessment at this time.

With respect to Item 2, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to ALATENN. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

With respect to items: 1, 3, and 4, 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 ALATENN to promptly correct these items. Failure to do so may result in additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. 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).

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 2-2020-1002**, 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 Enforcement Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to BBT ALATENN, LLC (ALATENN) a Compliance Order incorporating the following remedial requirements to ensure the compliance of ALATENN with the pipeline safety regulations:

1. In regard to Item 2 of the Notice pertaining to ALATENN's failure to provide adequate cathodic protection to portions of its pipeline system, ALATENN must update its procedures to reference the appropriate criteria for demonstrating adequate cathodic protection of the aluminum structures on its Wise Alloys lateral. ALATENN must submit copies of all revised procedures to the Director, Southern Region, for approval within 60 days of receipt of the Final Order.
2. Upon approval of revised procedures submitted per Item 1 of the Proposed Compliance Order, ALATENN must conduct a close interval survey (CIS) of the Wise Alloys lateral per any updated, approved procedures. ALATENN must complete the CIS and submit the results to the Director, Southern Region, within 90 days of approval of revised procedures submitted per Item 1 above.
3. It is requested (not mandated) that ALATENN maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director, Southern Region, Pipeline and Hazardous Materials Safety Administration. 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.