



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Ave. S.E.
Washington DC 20590

JUL 11 2007

Mr. Terrance O'Malley
President
Midwest Gas Storage, Inc.
P.O. Box 663
Hinsdale, IL 60522

Re: CPF No. 36113

Dear Mr. O'Malley:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$10,000 for those violations. I acknowledge receipt of your wire transfer of \$10,000 on August 11, 1997 as payment in full of the civil penalty assessed in the Final Order. Because the carbon storage field was deactivated and the remainder of the facilities that were the subject of this case are now regulated by the Indiana Utilities Regulatory Commission, the proposed compliance order and notice of amendment items are withdrawn as moot.

This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

cc: Ivan Huntoon, Director, Central Region, PHMSA

James M. Pates, Asst. Chief Council, PHMSA

David Lott Hardy, Chairman, Indiana Utilities Regulatory Commission
National City Center,
101 West Washington Street Suite 1500E
Indianapolis, Indiana 46204

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590**

In the Matter of)	
)	
Midwest Gas Storage, Inc.,)	CPF No. 36113
)	
Respondent)	
)	

FINAL ORDER

On July 26, 1996, the Director, Central Region, Office of Pipeline Safety, issued Respondent a Notice of Probable Violation, Proposed Civil Penalty, Notice of Amendment, and Proposed Compliance Order (Notice). The Notice proposed assessing a civil penalty of \$10,000 for certain alleged violations of 49 C.F.R. Parts 191 and 192, and proposed specific actions that Respondent take to correct the alleged violations. Respondent submitted a check in the amount of the proposed civil penalty (\$10,000), waiving further right to respond, and authorizing the entry of this Final Order as to those certain violations. The Notice also proposed that Respondent amend its operating and maintenance procedures and warned that Respondent had committed a probable violation of 49 C. F. R. §192.459 and advised Respondent to take appropriate corrective action.

FINDINGS OF VIOLATION

Pursuant to § 190.209(a)(1) and 49 U.S.C. § 60122, I find that Respondent violated the following section(s) of 49 C.F.R. Part 192 as more fully described in the Notice:

Notice Item 4(A):

49 C.F.R. § 192.491 Corrosion control records.

(a) Each operator shall maintain records or maps to show the location of cathodically protected piping, cathodic protection facilities, other than unrecorded galvanic anodes installed before August 1, 1971, and neighboring structures bonded to the cathodic protection system.

(b) Each of the following records must be retained for as long as the pipeline remains in service:

(1) Each record or map required by paragraph (a) of this section.

(2) Records of each test, survey, or inspection required by this subpart, in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist.

Specifically, Item 4(A) in the Notice alleged that Respondent failed to maintain records demonstrating that a cathodic protection survey had been performed during 1995 for its gathering system and storage field facilities.

Notice Item 6(A)-(F):

49 C.F.R. § 192.709 Transmission lines: Recordkeeping.

Each operator shall keep records covering each leak discovered, repair made, transmission line break, leakage survey, line patrol, and inspection, for as long as the segment of transmission line involved remains in service.

Specifically, Item 6 in the Notice alleged that Respondent failed to maintain records of certain line patrols, leakage surveys, relief device inspections and capacity confirmations, and mainline valve inspections.

Notice Item 7:

49 C.F.R. § 199.7 Anti-drug plan.

- (a) Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT Procedures. The plan must contain—
- (1) Methods and procedures for compliance with all the requirements of this part, including the employee assistance program;
 - (2) The name and address of each laboratory that analyzes the specimens collected for drug testing;
 - (3) The name and address of the operator's medical review officer; and
 - (4) Procedures for notifying employees of the coverage and provisions of the plan.¹

Specifically, Item 7 in the Notice alleged that Respondent failed to establish and implement an anti-drug plan by September 4, 1994, when operation of the pipeline commenced.

These findings will be considered as prior offenses in any subsequent enforcement action against Respondent. Having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$10,000, already paid by Respondent.

COMPLIANCE ORDER

With respect to Items 2 and 3, the Notice proposed a Compliance Order. Under 49 U.S.C. §

¹ This regulation has since been amended and redesignated as § 199.101.

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 Regional Director has indicated that Respondent has deactivated the carbon storage field that was the subject of the Notice and that the remainder of the facilities subject hereto are now deemed intrastate facilities regulated by the Indiana Utilities Regulatory Commission (IURC). Accordingly, Items 2 and 3 in the Notice are withdrawn as moot.

AMENDMENT OF PROCEDURES

The Notice also alleged that certain of Respondent's procedures were inadequate. As noted above, the Regional Director has indicated that Respondent has deactivated the carbon storage field that was the subject of the Notice and that the remainder of the facilities subject hereto are now deemed intrastate facilities regulated by IURC. Accordingly, Item 5 in the Notice is withdrawn as moot.

WARNING ITEMS

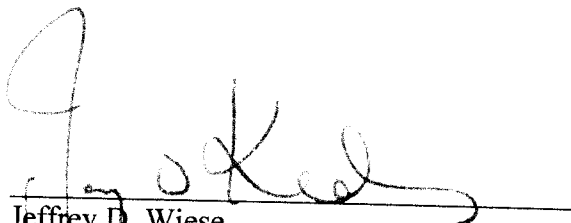
With respect to Items 1 and 4(B), the Notice alleged probable violations of Parts 191 and 192 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 191.17 (Notice Item 1) — failure to submit an annual report for a transmission or gathering pipeline system. Respondent did not submit an annual report for calendar year 1994; and

49 C.F.R. § 192.491 (Notice Item 4(B)) — failure to maintain all records associated with corrosion control. Respondent's gathering system maps and records did not show the location of sacrificial anodes or insulating devices.

Pursuant to 49 C.F.R. § 190.205, I find that Items 1 and 4(B) constitute probable violations under 49 C. F. R. §§ 191.17 and 192.491, respectively.

By copy of this Final Order and the Notice, I have transmitted the information set forth herein and in the Notice to the Chair, IURC, for such further action, if any, as such Commission deems appropriate. The terms and conditions of this Final Order are effective on receipt.

for


Jeffrey D. Wiese
Acting Associate Administrator
for Pipeline Safety

JUL 1 1 2007

Date Issued