



U.S. Department
of Transportation

8701 S. Gessner, Suite 1110
Houston, TX 77074

**Pipeline and
Hazardous Materials
Safety Administration**

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 4, 2007

Mr. Richard Adams
Vice President
Enbridge Offshore Gas Gathering
1100 Louisiana St Suite 3300
Houston TX 77002

CPF 4-2007-2001

Dear Mr. Adams:

On July 24 – 26, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Enbridge Offshore Gas Gathering pipeline system in Houma, LA.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

1. §192.477 Internal corrosion control: Monitoring.

If corrosive gas is being transported, coupons or other suitable means must be used to determine the effectiveness of the steps taken to minimize internal corrosion. Each coupon or other means of monitoring internal corrosion must be

checked two times each calendar year, but with interval not exceeding 7 1/2 months.

Records indicate coupon # D9557 "Garden City Nautilus 30" from SS 207" was installed December 20, 2004 and not removed until December 20, 2005. The coupon installed December 20, 2005 was removed May 4, 2006 and therefore current at the time of the audit.

2. §192.481 Atmospheric corrosion control: Monitoring.

(a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:

Onshore

Offshore

Then the frequency of inspection is:

At least once every 3 calendar years, but with intervals not exceeding 39 months

At least once each calendar year, but with intervals not exceeding 15 months

There were no records of offshore atmospheric inspection provided for 2004. Records that were provided were the 2003 offshore atmospheric inspection by prior owner and 2005 offshore atmospheric inspection by Enbridge. The 2006 offshore atmospheric inspection was not overdue at the time of the inspection.

3. §192.745 Valve maintenance: Transmission lines.

(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.

Valve maintenance records for valve # 2010 at the nautilus plant were not provided for 2004 and 2005. Valve maintenance records for valve # 2010 at the nautilus plant were provided for 2003 and 2006.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any 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 \$38,000.00 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$14,000
2	\$9,000
3	\$15,000

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. 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). 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.

In your correspondence on this matter, please refer to **CPF 4-2007-2001** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*