



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 13, 2007

Mr. Hunter Battle
Vice President
Targa Midstream Services, L.P.
1000 Louisiana Street, Suite 4700
Houston, TX 77002-5012

CPF 4-2007-5048

Dear Mr. Battle:

On August 27-September 1, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your 4-inch products pipeline beginning in Johnsons Bayou, Louisiana and ending in Orange, Texas and 12-inch products pipeline beginning in Lake Charles, Louisiana and ending in Mont Belvieu, Texas.

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. 195.555 What are the qualification for supervisors?

You must require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures established under §195.402(c)(3) for which they are responsible for insuring compliance.

The pipeline assets inspected by PHMSA were acquired from Dynegy Inc., around October 2005. The individual that held the supervisory position responsible for overseeing the cathodic

protection program for Dynegy, Inc. was reported to have retired just prior to the acquisition and was not replaced. At the time of the PHMSA inspection, Targa Midstream Services, L.P. (Targa) did not have a qualified supervisor overseeing their cathodic protection program meeting the requirements specified by the Targa Operations, Maintenance, & Emergencies Manual (Manual). Section IX of the Targa Manual states under the topic of Corrosion that “The pipeline office with corporate corrosion engineering and engineering support shall be responsible for design, construction, and maintenance of the cathodic protection systems.” The Manual also states under External Corrosion Control, “Pipeline team member or his designee and a NACE CP qualified person or professional engineer with corrosion experience shall review data produced in the preceding external corrosion control paragraphs and take corrective actions listed in the following table...”

Targa often uses pipeline technicians to perform required rectifier inspections and take pipe-to-soils readings required by 49 CFR Part 195. These readings are documented and submitted to the Targa DOT Coordinator for review and filing. If the readings indicate a potential issue, the DOT Coordinator then requests additional input from the Pipeline Technicians to determine if corrective actions or further testing is needed. If a decision is made that additional testing or corrective actions are needed, Targa then engages a contract cathodic protection specialist to perform the work. The DOT Coordinator and Pipeline Technicians performing the reviews were not found to be NACE CP qualified nor were professional engineers with corrosion experience as specified by the Targa operations and maintenance procedures.

2. 195.571 What criteria must I use to determine the adequacy of cathodic protection?

Cathodic protection required by this subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained in paragraphs 6.2 and 6.3 of NACE Standard RP0169-96 (incorporated by reference, see §195.3).

The operator did not meet the applicable cathodic protection criteria as specified by NACE Standard RP0169-96 and the Targa operations and maintenance procedures for cathodic protection. The annual pipe-to-soils survey shows some test locations for both the 2004 and 2005 surveys that did not meet the -850 mV criterion.

3. 195.577 What must I do to alleviate interference currents?

(a) For pipelines exposed to stray currents, you must have a program to identify, test for, and minimize the detrimental effects of such currents.

Targa has not demonstrated an adequate program of interference testing. Some of the annual pipe-to-soil readings show a casing potential that is nearly the same as the pipe. In other locations, the Targa records show an “instant off” reading that is higher than the “on” reading which may be an indication of interference. Targa needs to test for interference currents and take appropriate actions to minimize the detrimental effects of these currents.

4. 195.412 Inspection of rights-of-way and crossings under navigable waters.

- (a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.**

There are locations on the pipeline right-of-way that Targa had not adequately maintained at the time of the inspection. Some locations were overgrown with vegetation, obscuring the pipeline markers and making it difficult to determine the pipeline route. In addition, there are locations that do not have adequate pipeline markers to accurately determine the pipeline location. The problems include pipeline marker spacing, unmarked points where pipeline route changes occur, and markers that have been knocked down or damaged. An overgrown right-of-way and inadequate pipeline marking can result in ineffective patrolling due to poor ground visibility and difficulty in accurately determining the location of the pipeline. Targa needs to properly maintain its pipeline right-of-way and mark the pipeline route so that the location of the pipeline is accurately known to ensure effective inspection.

5. 195.434 Signs.

Each operator must maintain signs visible to the public around each pumping station and breakout tank area. Each sign must contain the name of the operator and a telephone number (including area code) where the operator can be reached at all times.

The sign at the entrance to the Sour Lake Pump Station as well as other locations does not identify Targa as the operator. Targa personnel reported that at least one location the signs had been stolen and personnel were in the process of replacing the signs. Some locations have long spans of fencing around the perimeter without signs identifying Targa as the operator of the facility. Targa should post an adequate number of signs around the perimeter of its facilities to clearly identify the operator.

6. 195.583 What must I do to monitor atmospheric corrosion control?

- (b) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by §195.581.**

Targa has not addressed atmospheric corrosion on an exposed pipeline segment near the Highway 69 crossing. The pipe wrap has been damaged, apparently by pedestrians using the exposed pipe to cross a drainage ditch and a surface oxide is evident on the exposed areas. Targa should properly coat this pipe or be prepared to demonstrate by test, investigation, or experience appropriate to the environment of the pipeline, that the condition will not affect the safe operation of the pipeline.

Proposed Compliance Order

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Targa Midstream Services, L.P. Please refer to the *Proposed Compliance Order* that 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. 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 4-2007-5048** 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

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 Targa Midstream Services, L.P. incorporating the following remedial requirements to ensure the compliance of Targa Midstream Services, L.P. with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to cathodic protection supervisor qualifications, Targa Midstream Services, L.P. must submit documentation that defines who is responsible for administering the cathodic protection program, and show that this individual is qualified according to §195.555 and Section IX of the Targa Operations, Maintenance, & Emergencies Manual.
2. In regard to Item Number 2 of the Notice pertaining to the criteria for determining the adequacy of cathodic protection, Targa Midstream Services, L.P. must submit documentation that shows the required cathodic protection criteria has been met along the continuous length of the pipelines as required by §195.571 and the Targa Operations, Maintenance, & Emergencies Manual.
3. In regard to Item Number 3 of the Notice pertaining to alleviating interference currents, Targa Midstream Services, L.P., must submit documentation that shows that a program to test for interference currents has been implemented, testing has been performed to detect interference currents, a determination has been made if these interference currents are having or have had a detrimental effect on the pipeline, and the actions taken to minimize or eliminate the effects of the interference currents as required by §195.577. In addition, if damage to the pipeline is discovered in the process of performing interference testing, Targa Midstream Services, L.P., must submit documentation for the repairs made to the pipeline as required by §195.404(c)(1).
4. In regard to Item Number 4 of the Notice pertaining to inspection of right-of-way, Targa Midstream Services, L.P. must submit photographs and/or other documentation (such as work orders for right-of-way maintenance and installation of additional markers) that shows maintenance has been performed, the right-of-way is adequately marked to accurately determine the location of the pipeline, and the pipeline markers can be seen so that the route can clearly be determined during the right-of-way inspection required by §195.412.
5. In regard to Item Number 5 of the Notice pertaining to signs, Targa Midstream Services, L.P. must submit photographs and/or other documentation that shows signs correctly and clearly identifying the operator have been posted at appropriate locations according to the requirements of §195.434. This includes Sour Lake Station, La Paix Road block valve site, and other sites noted during the inspection where signs were damaged or missing.
6. In regard to Item Number 6 of the Notice pertaining to monitoring atmospheric corrosion control, Targa Midstream Services, L.P. must submit repair documentation and photographs showing that the exposed pipeline segment near the Highway 69 crossing has been properly protected from atmospheric

corrosion as required by §195.581.

7. Provide to the Pipeline and Hazardous Materials Safety Administration the information required in this Compliance Order within 90 days following receipt of the Final Order by submitting to the Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration, 8701 South Gessner, Suite 1110, Houston, Texas 77074.
8. Targa Midstream Services, L.P. shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mr. R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. Costs shall 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.