



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

1200 New Jersey Ave, S.E.
Washington, D.C. 20590

JUN 30 2010

Captain Mark K. Lane
Senior Vice President - Operations
Excelerate Energy, L.P.
1450 Lake Robbins Drive
Suite 200
The Woodlands, TX 77380

Re: CPF No. 4-2009-2003

Dear Captain Lane:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and specifies actions that need to be taken by Excelerate Energy, L.P., to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Southwest Region, this enforcement action will be closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. R. M. Seeley, Director, Southwest Region, PHMSA

Ms. Lauren Guzick, Manager, Gulf Gateway, Excelerate Energy, L.P., 1450 Lake Robbins Drive, Suite 200, The Woodlands, TX 77380

CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7009 1410 0000 2472 2629]

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

_____)
In the Matter of)

Excelerate Energy, L.P.,)

Respondent.)
_____)

CPF No. 4-2009-2003

FINAL ORDER

On March 16-20, 2009, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Excelerate Energy, L.P. (Excelerate or Respondent), at its Gulf Gateway Energy Bridge platform and pipeline system in the Gulf of Mexico. Excelerate operates a deepwater port pipeline facility 120 miles offshore, in West Cameron Block 603 in the Gulf of Mexico. The facility includes 7.18 miles of natural gas transmission pipeline.

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated October 15, 2009, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Excelerate had violated 49 C.F.R. §§ 192.605 and 192.805 and proposed ordering Respondent to take certain measures to correct the alleged violations.

Excelerate responded to the Notice by letter dated October 29, 2009 (Response). The company did not contest the allegations of violation but provided information concerning the corrective actions it planned to take. Respondent did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

In its Response, Excelerate did not contest the allegations in the Notice that it violated 49 C.F.R. Part 192, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.605, which states in relevant part:

§ 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.

The Notice alleged that Respondent violated 49 C.F.R. § 192.605 by failing to prepare such a manual. Specifically, the Notice alleged that Excelerate did not prepare a manual of written procedures for conducting operations and maintenance activities and for emergency response for its pipeline system. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.605 by failing to prepare an operations, maintenance, and emergency procedures manual before commencing the operation of its pipeline system.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 192.805, which states:

§ 192.805 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

- (a) Identify covered tasks;
- (b) Ensure through evaluation that individuals performing covered tasks are qualified;
- (c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified;
- (d) Evaluate an individual if the operator has reason to believe that the individual's performance of a covered task contributed to an incident as defined in Part 191;
- (e) Evaluate an individual if the operator has reason to believe that the individual is no longer qualified to perform a covered task;
- (f) Communicate changes that affect covered tasks to individuals performing those covered tasks;
- (g) Identify those covered tasks and the intervals at which evaluation of the individual's qualifications is needed;
- (h) After December 16, 2004, provide training, as appropriate, to ensure that individuals performing covered tasks have the necessary knowledge and skills to perform the tasks in a manner that ensures the safe operation of pipeline facilities; and
- (i) After December 16, 2004, notify the Administrator or a state agency participating under 49 U.S.C. Chapter 601 if the operator significantly modifies the program after the Administrator or state agency has verified that it complies with this section.

The Notice alleged that Respondent violated 49 C.F.R. § 192.805 by failing to prepare such an operator qualification program. Specifically, the Notice alleged that Excelerator did not have and follow a written operator qualification program to ensure that individuals performing covered tasks were qualified in accordance with Subpart N (§§ 192.801-192.809) and did not require that contractors doing work on pipeline facilities had an approved operator qualification program. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.805 by failing to prepare an operator qualification program.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1 and 2 in the Notice for violations of 49 C.F.R. §§ 192.605 and 192.805, respectively. Under 49 U.S.C. § 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. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

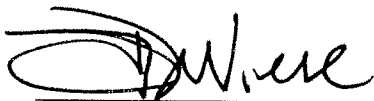
1. With respect to the violation of § 192.605 (**Item 1**), Respondent must prepare written procedures for operating, maintaining, and repairing its pipeline system in accordance with 49 CFR Part 192. Respondent must electronically submit monthly progress reports by the 15th of each month following receipt of this Final Order. The written procedures must be completed within 180 days of receipt of this Final Order.
2. With respect to the violation of § 192.805 (**Item 2**), Respondent must prepare written procedures that address covered tasks and the qualification of employees and contractors that perform those covered tasks, as required by 49 CFR Part 192. Respondent must electronically submit monthly progress reports by the 15th of each month following receipt of this Final Order. The written procedures must be completed within 180 days of receipt of this Final Order.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$100,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 C.F.R. § 190.215, Respondent has a right to submit a Petition for Reconsideration of this Final Order. The petition must be sent to: Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. PHMSA

will accept petitions received no later than 20 days after receipt of service of this Final Order by the Respondent, provided they contain a brief statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.215. Unless the Associate Administrator, upon request, grants a stay, the terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.



Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

JUN 30 2010

Date Issued