

**NOTICE OF PROBABLE VIOLATION
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 19, 2010

Mr. Larry Hjarlmarson
Vice President Operations
Williams Gas Pipelines
2800 Post Oak Blvd
Houston TX 77056

CPF 4-2010-1002

Dear Mr. Hjarlmarson:

On dates in August, September and December, 2009 a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Transcontinental Gas Pipeline Facilities in southern Louisiana.

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. §192.179 Transmission line valves.
 - (b) Each sectionalizing block valve on a transmission line, other than offshore segments, must comply with the following:
 - (1) The valve and the operating device to open or close the valve must be readily accessible and protected from tampering and damage.

The chain on block valve LC419 handle at Cow Island was not secured. The valve handle was in an operable condition at the same time that the fence was down due to construction. The valves at Gueydan meter station used a non secure decorative style chain. These conditions were observed during the field portion of the inspection.

2. §192.243 Nondestructive testing.

(b) Nondestructive testing of welds must be performed:

- (1) In accordance with written procedures; and
- (2) By persons who have been trained and qualified in the established procedures and with the equipment employed in testing.

In 2007, construction projects involving welding of pressure piping were conducted, including launcher and receiver installations at stations 63 and 65 and the Mississippi River Header project. Williams Gas Pipeline procedures call for the presence of densitometers and a film density range of 1.8 to 3.2 per Williams Procedure 90.09.01.07 Non Destructive Testing of Welds section 6.1.1.7, Section 5.0 Qualifying the Radiographic Procedure and section 7 Film Viewing and identification and Williams Supplemental Radiographic Requirements sections 7.4 and 9.2. No documentation was available at the audit to demonstrate compliance with these written procedures and the corresponding radiographic procedure qualification reports and NDE work reports did not indicate film density.

3. §192.745 Valve maintenance: Transmission lines.

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

There was no documentation provided at the inspection to demonstrate valve maintenance was performed on Oxy tap valve LE 2751 for calendar year 2007 and it would appear that the maintenance of this isolation valve was not performed in 2007. The available documentation showed valve maintenance was performed April 12, 2006 and not again until October 9, 2008. This is the valve that isolates the Occidental Chemical Company meter station from the Hester lateral and would be essential to isolate this section of pipeline from this delivery point in the current configuration of the 9 mile 12" nominal diameter Hester lateral pipeline between the Southeastern Louisiana mainline and the Hester Storage Field.

Proposed Compliance Order

With respect to item 1 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Williams Gas Pipelines. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

With respect to items 2 and 3, 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 you to promptly correct these items. Be advised that failure to do so may result in Williams Gas Pipelines being subject to additional enforcement action.

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 4-2010-1002** 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 Williams Gas Pipelines a Compliance Order incorporating the following remedial requirements to ensure the compliance of Williams Gas Pipelines with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to failure to secure valves, Williams Gas Pipelines should survey all transmission line sectionalizing block valves and replace all decorative style chain and other non-secure methods with security chain or other secure methods to ensure that valves are protected from tampering.
2. Williams Gas Pipelines should complete the survey, replacement of non-security chain and determination of protection from tampering within 90 days of receipt of this letter.
3. Williams Gas Pipelines shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to 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.