

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 8, 2011

Mr. Pete Kirsch  
Senior VP Pipeline Operations & Engineering  
Centerpoint Energy Gas Transmission  
1111 Louisiana Street  
Houston, TX 77002

**CPF 4-2011-1016W**

Dear Mr. Kirsch:

On various days between February 28 and June 10, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your natural gas pipeline system.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

1. **§ 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.

Centerpoint Energy Gas Transmission (CEGT) personnel did not follow procedures as described in the following paragraphs.

In regards to monitoring internal corrosion coupons CEGT's "Internal Corrosion Coupons" procedures, Document Number PS-03-02-294, page 4 of 5, requires the examination of coupons at least twice each calendar year, but with intervals not exceeding 7 ½ months. CEGT's maintenance records indicated internal corrosion coupon monitoring exceeded 7 ½ months for those coupons located in Waskum on Line S, and in Caddo Pine Island on Line ST-15. Coupon on Line S went 9 ½ months in 2009, and coupon on Line ST-15 went 11 ½ months in 2010 between monitoring cycles.

Also, during the inspection PHMSA asked CEGT personnel to perform a covered task to demonstrate the necessary knowledge, skill and ability. We refer to this as a Protocol 9 – Operator Qualification (OQ) Field Inspection. CEGT personnel did not follow company Operations and Maintenance (O&M) procedures. CEGT Rectifier Inspection procedure, Document Number PS-03-02-242, Section 2.4, requires personnel to check the rectifier cabinet with a multi-meter referenced to ground before grasping the padlock to ensure there is not an electrical short through the rectifier cabinet. Once it has been established that there is not a short, unlock the rectifier and open the cabinet. The CEGT Technician failed to use a multi-meter to check for shorts on the rectifier cabinet, prior to grasping the padlock. This indicates that CEGT personnel failed to follow O&M procedures while conducting an O&M activity. This is important as the procedure was established to protect the employee and not following the procedure places unnecessary risk on the employee.

CEGT Compressor Station Gas Detection Testing procedures, Procedure Number 310, Part B, requires that 50% lower explosive limit (LEL) calibration gas be applied to detection cells for verification that siren and blue lights are activated at 20% LEL. This will also verify cells are properly calibrated. During an OQ protocol 9 observation of a CEGT O&M Technician, he used his mouth to blow on the tube used to attach calibration tank to gas detection sensor. CEGT procedures do not indicate where blowing on tube is allowed or required to test gas detection equipment. This indicates that CEGT personnel failed to follow O&M procedures while conducting an O&M activity.

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. 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 correct the item(s) identified in this letter. Failure to do so will result in Centerpoint Energy Gas Transmission being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2011-1016W**. 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).

Sincerely,

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