

DECEMBER 27, 2012

Mr. Jerry L. Morris
President and Chief Executive Officer
Southern Star Central Gas Pipeline, Inc.
4700 Highway 56
Owensboro, KY 42301

Re: CPF No. 4-2012-1013

Dear Mr. Morris:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$6,200. This is to acknowledge receipt of payment of the full penalty amount by cashier's check dated July 11, 2012. This enforcement action is now 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, OPS
Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, OPS
Mr. Robert S. Bahnick, Vice President & Chief Operations Officer, Southern Star
Mr. Robert W. Carlton, Vice President & Chief Compliance Officer, Southern Star

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

_____)	
In the Matter of)	
)	
Southern Star Central Gas Pipeline, Inc.,)	CPF No. 4-2012-1013
)	
Respondent.)	
_____)	

FINAL ORDER

On multiple occasions between June 21 and October 28, 2011, 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 Southern Star Central Gas Pipeline, Inc., (Southern Star or Respondent) in Owensboro, Kentucky. Southern Star transports natural gas across Missouri, Kansas, Oklahoma, Wyoming, Colorado, Nebraska and Texas through approximately 6,000 miles of pipeline.¹

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated June 26, 2012, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Southern Star had violated 49 C.F.R. § 192.907 and proposed assessing a civil penalty of \$6,200 for the alleged violation.

Southern Star responded to the Notice by letter dated July 13, 2012 (Response). The company did not contest the allegation of violation and paid the proposed civil penalty of \$6,200, as provided in 49 C.F.R. § 190.227. Payment of the penalty serves to close the case with prejudice to Respondent.

FINDING OF VIOLATION

In its Response, Southern Star did not contest the allegation 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. § 192.907, which states:

¹ See <http://www.sscgp.com/about-southern-star/> (last accessed December 19, 2012).

§ 192.907 What must an operator do to implement this subpart?

(a) General. No later than December 17, 2004, an operator of a covered pipeline segment must develop and follow a written integrity management program that contains all the elements described in § 192.911 and that addresses the risks on each covered transmission pipeline segment. The initial integrity management program must consist, at a minimum, of a framework that describes the process for implementing each program element, how relevant decisions will be made and by whom, a time line for completing the work to implement the program element, and how information gained from experience will be continuously incorporated into the program. The framework will evolve into a more detailed and comprehensive program. An operator must make continual improvements to the program.

The Notice alleged that Respondent violated 49 C.F.R. § 192.907 by failing to follow its written integrity management (IM) program. Specifically, the Notice alleged that Southern Star's IM program called for a "primary" review of the program once every four years, and a "secondary" review in the year following the primary review and every two years in which a primary review was not conducted. Such quality assurance measures are required to be a part of the IM program by § 192.911(l). The Notice alleged that Southern Star failed to conduct and document either a primary or secondary level review of its IM program from 2006 until the PHMSA inspection in 2011. 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. § 192.907 by failing to follow its written integrity management (IM) program.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

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

Date Issued