

SOUTHERN STAR

CENTRAL GAS PIPELINE

Southern Star Central Gas Pipeline, Inc.

4700 Hwy 56

P.O. Box 20010

Owensboro, Kentucky 42301

Phone 270/852-4500

Robert W. Carlton
Vice President and Chief Compliance Officer

July 13, 2012

R.M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration
8701 South Gessner, Suite 1110
Houston, TX 77074



Re: CPF 4-2012-1013

Mr. Seeley,

On July 3, 2012, Southern Star Central Gas Pipeline received a Notice of Probable Violation (NOPV) in response to the Integrity Management Audit conducted at our headquarters in Owensboro, KY on multiple occasions between June 21, and October 28, 2011.

Notice of Probable Violation

Southern Star did not follow their procedures by failing to conduct and properly document their IMP reviews as required in their IM program manual. SSCGP's procedure IMP E12.QA.01.01 dated June 30, 2006 Section 4.1.1 states: *"Ensure a Primary IMP Review is performed once every four years, at intervals not to exceed 52 months."*

Section 5.1.1 states: *"Ensure a Secondary IMP Review is performed once every two years, at intervals not to exceed 27 months, for the years where a Primary IMP Review is not scheduled to be performed"*

Section 5.1.1.1 states: *"Ensure a Secondary IMP Review is performed in the year following a Primary IMP Review. This will help ensure that SSCGP is following up on the results of the primary IMP Review."*

Both sections 4 and 5 go on to detail the scope of the reviews and the documentation requirements. At the inspection, documentation for the Primary and Secondary IMP reviews conducted since the 2006 Primary IMP review was requested, however none was provided at that time. SSCGP considers the PHMSA IM audit in 2006 as a Primary IMP Review thus Secondary IMP Reviews would be required in 2007 and again in 2009. The next Primary IMP Review would need to be conducted in 2010.

Subsequent to the inspection, SSCGP provided a response to PHMSA's exit briefing. In the response, SSCGP acknowledged not following their procedures by the lack of documentation and "nebulous" activities.

We have reviewed the NOPV and determined not to contest any of the findings.

In accordance with the instructions outlined in *"Response Options for Pipeline Operators in Compliance Proceedings, Article VII, Payment Instructions,"* Southern Star has attached check number 9046402714 made payable to the Department of Transportation for the amount of \$6,200.00 in satisfaction of the Civil Penalties as assessed in the Notice of Probable Violation issued June 26, 2012.

Respectfully submitted,