

MARCH 20, 2014

Mr. Keith Montgomery
Vice President
Williams Olefins Feedstock Pipelines, LLC
The Williams Companies, Inc.
One Williams Center
Tulsa, Oklahoma 74172

Re: CPF No. 4-2013-5016

Dear Mr. Montgomery:

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 Williams Olefins Feedstock Pipelines, LLC, 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, Southwest Region Director, OPS
Mr. Alan S. Armstrong, President, The Williams Companies, Inc.

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)	
)	
Williams Olefins Feedstock Pipelines, LLC,)	CPF No. 4-2013-5016
)	
Respondent.)	
)	

FINAL ORDER

Between September 2012 and August 14, 2013, Williams Olefins Feedstock Pipelines, LLC (Williams or Respondent), filed certain reports about its operations with the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), and was required to file certain other reports and other information with the agency. Pursuant to Chapter 601 of 49 United States Code, PHMSA has reviewed the reports and notifications that Williams either provided or was required to provide to PHMSA during such period. Williams, a wholly-owned subsidiary of Williams Partners, LP, operates approximately 158 miles of pipelines in the states of Texas and Louisiana.¹

As a result of this review, the Director, Southwestern Region, OPS (Director), issued to Respondent, by letter dated August 14, 2013, a Notice of Probable Violation and Proposed Compliance Order (Notice), which also included a warning pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Williams had committed various violations of 49 C.F.R. Part 195 and 49 U.S.C. § 60132 and proposed ordering Respondent to take certain measures to correct the alleged violations. The warning item required no further action but warned the operator to correct the probable violation or face possible enforcement action.

Williams responded to the Notice by letter dated September 9, 2013 (Response). The company did not contest the allegations of violation but provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

¹ See Pipeline Safety Violation Report (Violation Report), (August 14, 2013) (on file with PHMSA), at 1.

FINDINGS OF VIOLATION

Williams did not contest the allegations in the Notice, that it violated 49 C.F.R. Part 195 as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.49, which states:

§ 195.49 Annual report.

Each operator must complete and submit DOT Form PHMSA F 7000-1.1 for each type of hazardous liquid pipeline facility operated at the end of the previous year. An operator must submit the annual report by June 15 each year, except that for the 2010 reporting year the report must be submitted by August 15, 2011. A separate report is required for crude oil, [highly volatile liquid (HVL)] (including anhydrous ammonia), petroleum products, carbon dioxide pipelines, and fuel grade ethanol pipelines. For each state a pipeline traverses, an operator must separately complete those sections on the form requiring information to be reported for each state.

The Notice alleged that Respondent violated 49 C.F.R. § 195.49 by failing to submit DOT Form PHMSA F 7000-1.1 for each type of hazardous pipeline facility operated by Williams at the end of the previous year. Specifically, it alleged that Williams failed to provide complete and accurate information to PHMSA regarding its highly volatile liquid (HVL) assets for the 2012 Calendar Year. According to the Notice, the company allegedly failed to accurately report the number of new interstate HVL pipeline miles it acquired from Mobil Pipe Line Company in 2012 and running from Iowa, Louisiana, to Neches, Texas.

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. § 195.49 by failing to submit DOT Form PHMSA F 7000-1.1 for each type of hazardous pipeline facility operated by Williams at the end of the previous year.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 195.49, as quoted above, by failing to submit DOT Form PHMSA F 7000-1.1 for each type of hazardous liquid pipeline facility operated at the end of the previous year. Specifically, it alleged that Williams failed to provide complete and accurate information to PHMSA regarding all of its HVL assets for the 2012 Calendar Year. According to the Notice, the company allegedly failed to accurately report the total number of interstate HVL pipeline miles it owned in Texas, in 2012. Without any change to its facilities or operations, Williams allegedly reported owning only 21 miles of HVL pipeline, while in 2011 it reported owning 62 miles.

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. § 195.49 by failing to submit DOT Form PHMSA F 7000-1.1 for each type of hazardous liquid pipeline facility operated at the end of the previous year.

Item 3: The Notice alleged that Respondent violated 49 C.F.R. § 195.49, as quoted above, by failing to submit DOT Form PHMSA F 7000-1.1 for each type of hazardous liquid pipeline facility operated by Williams at the end of the previous year. Specifically, it alleged that Williams failed to provide complete and accurate information to PHMSA regarding its refined and/or petroleum product (non-HVL) assets for the 2012 Calendar Year. According to the Notice, the company allegedly failed to accurately report the number of new interstate pipeline miles it acquired in 2012 from Explorer Pipeline Company, running from Lake Charles, Louisiana, to Port Arthur, Texas.

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. § 195.49 by failing to submit DOT Form PHMSA F 7000-1.1 for each type of hazardous liquid pipeline facility operated at the end of the previous year.

Item 4: The Notice alleged that Respondent violated 49 C.F.R. § 195.64(b), which states:

§ 195.64 National Registry of Pipeline and LNG Operators.

(a)...

(b) [*Operator Identification Number (OPID)*] validation. An operator who has already been assigned one or more OPID by January 1, 2011, must validate the information associated with such OPID through the National Registry of Pipeline and LNG Operators at <http://opsweb.phmsa.dot.gov>, and correct that information as necessary, no later than June 30, 2012.

The Notice alleged that Respondent violated 49 C.F.R. § 195.64(b) by failing to validate the information associated with the company's OPID through the National Registry of Pipeline and LNG Operators, and correct that information as necessary, but no later than June 30, 2012. Specifically, the Notice alleged that Williams failed to accurately update its Operator Contact Information, naming only one individual, with the same phone number, for the following functions: the DA Administrator; DOT Compliance; the Emergency Contact 24-7; the Executive; Normal Operations; NPMS; and User Fee. The Notice further alleged that Williams failed to file the required information until September 24, 2012, roughly three months past the June 2012 deadline.

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. § 195.64(b) by failing to validate the information associated with the company's OPID through the National Registry of Pipeline and LNG Operators, and correct that information as necessary, but no later than June 30, 2012.

Item 5: The Notice alleged that Respondent violated 49 C.F.R. § 195.64(c)(2), which states, in relevant part:

§ 195.64 National Registry of Pipeline and LNG Operators.

(a) ...

(c) *Changes*. Each operator must notify PHMSA electronically

through the National Registry of Pipeline and LNG Operators at <http://opsweb.phmsa.dot.gov>, of certain events:

- (1) ...
- (2) An operator must notify PHMSA of any following event not later than 60 days after the event occurs:
 - (i) ...
 - (iv) The acquisition or divestiture of 50 or more miles of pipeline or pipeline system subject to this part;. . . .

The Notice alleged that Respondent violated 49 C.F.R. § 195.64(c)(2) by failing to notify PHMSA electronically through the National Registry of Pipeline and LNG Operators of the acquisition or divestiture of 50 or more miles of pipeline subject to Part 195, within 60 days of such an event. Specifically, the Notice alleged that Williams failed to report its acquisition of 50.4 miles of pipeline from Explorer Pipeline Company in August 2012. According to the Notice, Williams failed to file the electronic notification until February 5, 2013, roughly six months after the acquisition occurred, and then incorrectly noted the acquisition date as being October 4, 2012.

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. § 195.64(c)(2) by failing to notify PHMSA electronically through the National Registry of Pipeline and LNG Operators of the acquisition or divestiture of 50 or more miles of pipeline subject to Part 195, within 60 days of such an event.

Item 7: The Notice alleged that Respondent violated 49 U.S.C. § 60132, which states, in relevant part:

49 U.S.C. § 60132 National pipeline mapping system.

(a) Information to be provided. - Not later than 6 months after the date of enactment of this section, the operator of a pipeline facility (except distribution lines and gathering lines) shall provide to the Secretary of Transportation the following information with respect to the facility:

(1) Geospatial data appropriate for use in the National Pipeline Mapping System or data in a format that can be readily converted to geospatial data. . . .

(b) Updates. - A person providing information under subsection (a) shall provide to the Secretary updates of the information to reflect changes in the pipeline facility owned or operated by the person and as otherwise required by the Secretary.

The Notice alleged that Respondent violated 49 U.S.C. § 60132 by failing to update geospatial data regarding its 2012-acquired pipelines to the National Pipeline Mapping System (NPMS), to reflect changes in the facilities owned or operated by the company. Specifically, the Notice alleged that Williams failed to timely update its mapping information to include 50.4 miles of interstate pipeline it acquired from Explorer Pipeline Company, running from Lake Charles, Louisiana, to Port Arthur, Texas, and 55 miles of interstate pipeline it acquired from Mobil Pipe

Line Company, running from Iowa, Texas, and Neches, Louisiana.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 U.S.C. §60132 by failing to submit to the NPMS accurate geospatial data regarding the pipeline facilities Williams acquired in 2012.

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, 2, 3, 4, 5, and 7 in the Notice for violations of 49 C.F.R. §§ 195.49, 195.64(b) and 49 U.S.C. 60132, 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. The Director has indicated that Respondent has taken the following actions to address the cited violations in the Notice for Items 1, 2, 3, 4, and 5:

On September 9, 2013, Williams filed a supplemental Annual Report for Calendar Year 2012, updated its Operator Contact information, and provided a new Acquisition Notification.

Accordingly, I find that compliance has been achieved with respect to these violations. Therefore, the compliance terms proposed in the Notice for Items 1, 2, 3, 4, and 5 are not included in this Order.

As for the remaining compliance terms, 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 49 U.S.C. § 60132(a)(1) (**Item 7**): Williams must review its NPMS submittal, correct the inaccuracies, and resubmit to PHMSA its updated geospatial data within 30 days after receipt of the Final Order.
2. It is requested (not mandated) that Williams 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. It is requested that these costs 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.

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 administrative assessment of civil penalties not to exceed \$200,000 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.

WARNING ITEM

With respect to Item 6, the Notice alleged a probable violation of Part 195 but did not propose a civil penalty or compliance order for this item. Therefore, this is considered to be a warning item. The warning was for:

49 C.F.R. § 195.64 (**Item 6**) — Respondent's alleged failure to timely submit an Acquisition Notification within 60 days after it purchased a 55-mile, 6-inch interstate NGL pipeline running from Iowa, Louisiana, to Neches, Texas.

In response to this Item, Williams presented information showing it had submitted updated geospatial data to NPMS on September 9, 2013, to address the cited item. If OPS finds a violation of this provision in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order are effective upon receipt of service.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued