

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 14, 2013

Mr. Alan Armstrong
President, Chief Executive Officer
Williams Olefins Feedstock Pipelines, LLC
One Williams Center
Tulsa, Oklahoma 74172

CPF 4-2013-5016

Dear Mr. Armstrong:

Representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code have been reviewing your reports and notifications that have been submitted to PHMSA. As a result of this review, 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 violations are:

1. §195.49 Annual report.

Each operator must annually 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, 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.

Williams Olefins did not submit complete and accurate information to PHMSA for their HVL assets

within their Annual Report for Calendar Year 2012 Hazardous Liquid Pipeline Systems. On November 29, 2012, Williams Olefins purchased from Mobil Pipe Line a 55 mile, 6-inch interstate HVL pipeline from Iowa, Louisiana, to Neches, Texas. The acquisition was for 55 interstate miles, and Williams Olefins 2012 Annual Report has included only 21 intrastate miles reported.

2. §195.49 Annual report.

Each operator must annually 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, 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.

Williams Olefins did not submit complete information to PHMSA for their HVL assets within their Annual Report for Calendar Year 2012 Hazardous Liquid Pipeline Systems. Williams Olefins Annual Report for 2011 reported 62 miles of intrastate HVL onshore pipe in the state of Texas. This report was submitted on June 13, 2013. Williams Olefins Annual Report for 2012 reported 21 miles of intrastate HVL onshore pipe in the state of Texas.

For the 2012 annual report, Part A, Question 8, Williams Olefins selected “YES, this report represents a CHANGE FROM LAST YEAR’S REPORTED INFORMATION for one or more of PARTs B, D, E, H, I, J, K, L, or M due to corrected information; however, the pipeline and/or pipeline facilities and operations are the same as those which were covered under last year’s report.” Williams Olefins did not accurately report mileage for HVL pipe for 2012. The pipe information is not the same as those which were covered under previous year’s report, especially if they reported 62 miles of intrastate HVL onshore pipe in 2011 and are now reporting 21 miles of intrastate HVL onshore pipe for 2012.

3. §195.49 Annual report.

Each operator must annually 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, 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.

Williams Olefins did not submit complete and accurate information to PHMSA for their refined and/or petroleum product (non-HVL) assets within their Annual Report for Calendar Year 2012

Hazardous Liquid Pipeline Systems. On August 31, 2012, Williams Olefins purchased from Explorer Pipeline Company a 50.4 mile, 12-inch interstate refined products pipeline that extends from Lake Charles, Louisiana, to Port Arthur, Texas. The acquisition was for 50.4 interstate miles, and Williams Olefins 2012 PHMSA Annual Report has included only 32 intrastate miles reported.

4. §195.64 National Registry of Pipeline and LNG Operators.

(b) 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.

Williams Olefins has inaccurately updated the information with the National Registry of Pipeline and LNG Operators. The Operator Contact Information has one named individual, with the same phone number for: the DA Administrator, DOT Compliance, the Emergency Contact 24-7; the Executive; Normal Operations; NPMS; and User Fee. The date of the revision that PHMSA received was made on September 24, 2012.

5. §195.64 National Registry of Pipeline and LNG Operators.

(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.

(2) An operator must notify PHMSA of any following event not later than 60 days after the event occurs:

(iv) The acquisition or divestiture of 50 more miles of pipeline or pipeline system subject to this part;

Williams Olefins submitted an Operator Registry Notification, PHMSA F 1000.2 for the acquisition of a pipeline system that was formerly owned by Explorer Pipeline Company, with discrepancies and was 98 days late. PHMSA received a Divestiture Notification that Explorer Pipeline Co. had a 12-inch interstate, refined products pipeline that extended from Lake Charles, Louisiana to Port Arthur, Texas, was sold to Williams Olefins Feedstock Pipelines, LLC. The pipeline is 50.4 miles and traverses Calcasieu and Cameron County in Louisiana as well as Orange and Jefferson County in Texas. According to Explorer Pipeline Co., the effective date that the divestiture occurred was August 31, 2012. Williams Olefins submitted the Acquisition Notification dated February 5, 2013, and reported that the effective date for the acquisition was October 4, 2012.

6. §195.64 National Registry of Pipeline and LNG Operators.

(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.

(2) An operator must notify PHMSA of any following event not later than 60 days after the event occurs:

(iv) The acquisition or divestiture of 50 more miles of pipeline or pipeline system subject to this part;

Williams Olefins submitted the Operator Registry Notification, PHMSA F 1000.2 for the acquisition of a pipeline system that was formerly owned by Mobil Pipe Line Company, and was 72 days late. PHMSA received a Divestiture Notification that Mobil Pipe Line Co. had a 55 mile, 6-inch interstate NGL pipeline from Iowa to Neches (Texas and Louisiana), that was sold to Williams Olefins Feedstock Pipelines, LLC, effective on November 29, 2012.

Williams Olefins submitted an Acquisition Notification dated April 9, 2013. The Notification that was submitted by Williams reported that the effective date for the acquisition was November 29, 2012. Williams Olefins reported this acquisition 72 days late.

7. 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.

Williams Olefins has not submitted accurate geospatial data of the 2012 acquired pipelines to the National Pipeline Mapping System (NPMS). PHMSA received a Divestiture Notification that Explorer Pipeline Co. had a 50.4 mile, 12-inch interstate refined products pipeline that extended from Lake Charles, Louisiana to Port Arthur, Texas, was sold to Williams Olefins Feedstock Pipelines, LLC, effective August 31, 2012.

Also, PHMSA received a Divestiture Notification that Mobil Pipe Line Co. had a 55 mile, 6-inch interstate NGL pipeline from Iowa to Neches (Texas and Louisiana), was sold to Williams Olefins Feedstock Pipelines, LLC, effective November 29, 2012. Both pipelines are interstate and were not reported to the NPMS

Proposed Compliance Order

With respect the items 1 – 5 and 7 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Williams Olefins Feedstock Pipelines. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

With respect to item 6, 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 this item. Be advised that failure to do so may result in Williams Olefins Feedstock Pipelines, LLC 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. All material you submit in response to this enforcement action may be 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 4-2013-5016** 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 Olefins Feedstock Pipelines a Compliance Order incorporating the following remedial requirements to ensure the compliance of Williams Olefins Feedstock Pipelines with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to incomplete and inaccurate information submitted to PHMSA, Williams Olefins is to review their Annual Report for Calendar Year 2012 for their HVL assets and are to resubmit accurate information to PHMSA, including the interstate assets that were purchased in 2012.
2. In regard to Item Number 2 of the Notice pertaining to incomplete information submitted to PHMSA, Williams Olefins is to review their Annual Report for Calendar Year 2012 for their HVL assets, to ensure that all information within the PHMSA F7000-1.1 is complete. This includes answering Part A, Question 8, to verify it is answered correctly.
3. In regard to Item Number 3 of the Notice pertaining to incomplete and inaccurate information submitted to PHMSA, Williams Olefins is review their Annual Report for Calendar Year 2012 for their refined and/or petroleum product (non-HVL) assets and resubmit accurate information to PHMSA, including the interstate assets that were purchased in 2012.
4. In regard to Item Number 4 of the Notice pertaining to the inaccurately updated information with the National Registry of Pipeline and LNG Operators. Williams Olefins is to update their Operator Contact information with the correct contacts for their: Drug and Alcohol Administrator; DOT Compliance; the 24-7 Emergency Contact; the Executive; Normal Operations; NPMS; and User Fee.
5. In regard to Item Number 5 of the Notice pertaining to the acquisition of the 50.4 mile, 12-inch refined products pipeline from Lake Charles, Louisiana to Port Arthur, Texas, Williams Olefins should re-evaluate their submission, update the inaccuracies, and resubmit to PHMSA the Acquisition Notification.
6. In regard to Item Number 7 of the Notice pertaining to not submitting accurate geospatial data of the 2012 acquired pipelines to the National Pipeline Mapping System (NPMS), Williams Olefins is to review their NPMS submittal, update the inaccuracies and resubmit to PHMSA their updated geospatial data.
7. For Items 1 through 6, Williams Olefins has 30 days after receipt of the Final Order to submit the corrected reports and notifications required by these items.
8. It is requested (not mandated) that Williams Olefins Feedstock Pipelines 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.