

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 19, 2018

John Pirraglia
Vice President
LA Storage, LLC
2925 Briarpark Dr., Suite 850
Houston, TX 77042

CPF 4-2018-1009W

Dear Mr. Pirraglia:

On July 10 - 11, and September 25 - 28, 2017, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your LA Storage, LLC (LAS) facilities in Houston, Texas and Lake Charles, Louisiana.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. §192.736 Compressor stations: Gas detection.

(b) Except when shutdown of the system is necessary for maintenance under paragraph (c) of this section, each gas detection and alarm system required by this section must

- (1) Continuously monitor the compressor building for a concentration of gas in air of not more than 25 percent of the lower explosive limit; and**
- (2) If that concentration of gas is detected, warn persons about to enter the building and persons inside the building of the danger.**

LAS failed to provide adequate warning to persons entering compressor building from the southwest side. During the field inspection, PHMSA inspector observed LAS test the Ragley Compressor Station gas detection for indication of gas at 5% LEL. The gas detection system has three visual alarms; one strobe light outside on the northeast corner of the compressor building, one strobe light outside on the southwest corner of the compressor building, and a strobe light inside the compressor building. There are no audible alarms. LA Storage used calibrated gas to test sensor S4000C 1500AA at 5% LEL. The sensor detected gas at 5% and gave indication to the control room as well as inside the compressor station. Additionally, the northeast strobe light outside of the compressor building illuminated as expected. However, the southwest strobe light outside of the compressor building failed to illuminate to give indication of gas leak inside the compressor building.

On September 28, 2017 LAS repaired light, replaced bulb and provided record FORM OM500-02 – Compressor Station Gas Detector Calibration/Repair Report which documents the repair actions and Work Order # #16003.

2. §192.605 Procedural manual for operations, maintenance, and emergencies

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(3) Making construction records, maps, and operating history available to appropriate operating personnel.

LAS failed to document the correct MAOP on their maps, records, and control room console. At the time of inspection, the PHMSA inspector found the MAOP on LA Storage records, maps, and control room console for the LAS pipeline to be inaccurate. The records, maps, and console all listed a MAOP of 1284psi which is actually the MOP of LAS pipeline. The MAOP for LAS pipeline is 1460psi.

On October 2, 2017 LAS fixed maps, records, and screen shot of control room console with the correct MOP and MAOP for LAS pipeline.

3. §192.465 External corrosion control: Monitoring.

(a) Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.463. However, if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.

(d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.

LA Storage failed to take prompt remedial action to correct a deficiency with the Transco Inter./Targa Crossing test station.

After reviewing pipe-to-soil potential survey records for July 2016 and July 2017 the PHMSA inspector found Transco Inter./Targa Crossing test lead was missing. At the time of inspection, September 2017, the test station was still missing and there was no work order in place to address this deficiency.

On October 5, 2017 LAS provided an inspection report, pictures, and Work Order #15988 documents on the repair of the test lead at the Transco/Targa crossing.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists, up to a maximum of \$2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a 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 LA Storage, LLC 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 4-2018-1009W**. 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,

Mary L. McDaniel, P.E.
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration