

NOTICE OF AMENDMENT

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

February 10, 2022

Eric Amundsen
Senior Vice President, Operations
Florida Gas Transmission Company
1300 Main Street
Houston, Texas 77002

CPF 4-2022-013-NOA

Dear Mr. Amundsen:

From March 9, 2020 through July 9, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Florida Gas Transmission Company's (FGT) procedures for operations and maintenance in Houston, Texas.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within FGT's plans or procedures, as described below:

1. § 192.911 - What are the elements of an integrity management program?

(a) . . .

(o) Procedures for ensuring that each integrity assessment is being conducted in a manner that minimizes environmental and safety risks.

FGT's written Integrity Management Plan is inadequate because it does not include procedures for ensuring that each integrity assessment is conducted in a manner that minimizes environmental and safety risks. FGT's *Standard Operating Procedure, Volume I – PIPELINE, Pigging and Pig Trap Operation, Procedure No.: I.13* (Effective Date: 4/1/2021) does not include requirements for minimizing environmental risks.

PHMSA reviewed an environmental clearance report for the hydrostatic test report on the 4" FLBXC Brandon Tap hydrotest, which indicated that the residual liquids from the pig trap were being collected.

FGT could not identify which part of the procedure requires carrying out that activity, or any provisions for minimizing environmental risks related to that activity.

Although FGT stated in its Response to the Post-Inspection Written Preliminary Findings that it carries out a pre-job hazards review that considers environmental risks, there are no written procedures to address steps to take to minimize environmental risks.

FGT must amend its procedure to include requirements specific to minimizing environmental risks.

2. § 192.933 - What actions must be taken to address integrity issues?

(a)...

(b) *Discovery of condition.* Discovery of a condition occurs when an operator has adequate information about a condition to determine that the condition presents a potential threat to the integrity of the pipeline. A condition that presents a potential threat includes, but is not limited to, those conditions that require remediation or monitoring listed under paragraphs (d)(1) through (d)(3) of this section. An operator must promptly, but no later than 180 days after conducting an integrity assessment, obtain sufficient information about a condition to make that determination, unless the operator demonstrates that the 180-day period is impracticable.

FGT's written Integrity Management Plan is inadequate because it does not provide provisions for acceptance of preliminary results to be used in the characterization of a condition that would lead to the discovery of a condition from pipeline assessments submitted by the vendor and allows an excess of time for the determination.

FGT's written *Pipeline Integrity Management Plan, 7.1 Discovery of a Condition* states, "Prior to receipt of a final report, consider all data shared...as preliminary. This preliminary information is not used to characterize the condition of the pipeline." The term "discovery" is defined in the regulation as "when the operator has adequate information to determine that the condition presents a potential threat to the integrity of the pipeline." The presence of any immediate condition on a preliminary report on which the pipeline data is integrated should be determined as adequate information that requires a verification dig and any follow-up remediation ensuing. FGT not acting on a preliminary report and allowing up to 30 days from when a report is received to declare acceptance of the results when it includes a condition that presents a potential threat to the integrity of the pipeline is unacceptable.

FGT must amend its written Integrity Management Plan to accommodate utilizing the preliminary report from assessments in the characterization of features that meet the immediate condition requirement. Additionally, FGT must give consideration to reduce the amount of time (from up to 30 days) from when the final results are received for its acceptance, to a more reasonable timeframe.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under § 190.211. 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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Florida Gas Transmission Company maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Mary L. McDaniel P.E, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2022-013-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosure: *Response Options for Pipeline Operators in Enforcement Proceedings*

cc: Todd Nardozzi, Director, Regulatory Compliance, Energy Transfer Company,
todd.nardozzi@energytransfer.com