

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 12, 2014

Mr. Lyle Fedje  
Director, Pipeline Operations  
CPN Pipeline Company  
60 River Road  
Rio Vista, CA 94571

**CPF 5-2014-0004W**

Dear Mr. Fedje:

On May 5-9, 2014, June 9-12, 2014, and July 21-25, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your natural gas transmission pipeline system in Rio Vista, CA.

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

**1. §192.917 How does an operator identify potential threats to pipeline integrity and use the threat identification in its integrity program?**

**(a) Threat identification. An operator must identify and evaluate all potential threats to each covered pipeline segment. Potential threats that an operator must consider include, but are not limited to, the threats listed in ASME/ANSI B31.8S (incorporated by reference, see §192.7), section 2, which are grouped under the following four categories:**

**(1) Time dependent threats such as internal corrosion, external corrosion, and stress corrosion cracking;**

- (2) **Static or resident threats, such as fabrication or construction defects;**
- (3) **Time independent threats such as third party damage and outside force damage; and**
- (4) **Human error.**

CPN Pipeline Company (CPN) failed to document consideration of potential interactive threats in its threat identification analysis. CPN's Integrity Management Program (IMP) procedures, Section 3.3 in regards to "Threats, Data integration and Risk Analysis", described consideration of potential interactive threats as part of its analysis. A review of IMP Meeting Notes used in CPN's annual IMP reviews, however, did not show documented evidence that potential interactive threats were considered for each covered pipeline segment listed. CPN must ensure that multiple threats on the same pipeline segment are evaluated for interrelated effects.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 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 CPN Pipeline Company 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 5-2014-0004W**. 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,

Chris Hoidal  
Director, Western Region  
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry  
PHP-500 C. Ishikawa (#145425)