

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

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 5-2014-0006

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 probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

1. §192.453 General.

The corrosion control procedures required by §192.605(b)(2), including those for the design, installation, operation, and maintenance of cathodic protection systems, must be carried out by, or under the direction of, a person qualified in pipeline corrosion control methods.

CPN Pipeline Company (CPN) did not document the person qualified in pipeline corrosion control methods on its corrosion control records when specific covered

tasks were performed. The name of a qualified individual was not found on several annual cathodic protection (CP) survey reports and periodic rectifier reading records. Each CP survey and rectifier reading should clearly indicate the name of the qualified individual who performed the task. CPN must ensure qualified individuals are performing covered tasks, including implementing corrosion control methods per §192.453, in accordance with Federal regulations and CPN's written Operator Qualification Program.

Proposed Compliance Order

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 propose a civil penalty assessment at this time.

With respect to item(s) 1 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to CPN Pipeline Company. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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. 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). 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 5-2014-0006** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

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

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to CPN Pipeline Company a Compliance Order incorporating the following remedial requirements to ensure the compliance of CPN Pipeline Company with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to the failure to document the person qualified in pipeline corrosion control methods on its corrosion control records, CPN must clearly indicate the name of the qualified individual who performed the task on each CP survey and rectifier reading record.
2. CPN must provide documentation of the above to the Director, Western Region, within 30 days.
3. It is requested (not mandated) that CPN Pipeline Company maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Chris Hoidal, Director, Western 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.