

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 26, 2018

Ms. Patricia Link
President
Raton Gas Transmission
223 N. Guadalupe, St #306
Santa Fe, NM 87501

Revised CPF 5-2018-1005W

Dear Ms. Link:

On June 19 through 23, and June 26 through 29, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected your Raton Gas Transmission in Raton, New Mexico, and Trinidad, Colorado.

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 violation(s) are:

- 1. §191.17 Transmission systems; gathering systems; and liquefied natural gas facilities, and underground natural gas storage facilities: Annual report.**
(a) Transmission or Gathering. Each operator of a transmission or a gathering pipeline must submit an annual report for that system on DOT Form PHMSA 7100.2.1. This report must be submitted each year, not later than March 15, for the preceding calendar year, except that for the 2010 reporting year the report must be submitted by June 15, 2011.

Raton Gas Transmission (RGT)'s annual reports for calendar years 2014, 2015, and 2016 indicate that RGT performed an External Corrosion Direct Assessment (ECDA) of their pipeline in each of these years. Interviews of RGT personnel revealed that an ECDA, in accordance with §192.925, has never

been performed on their pipeline system.

2. §191.29 National Pipeline Mapping System.

(b) The information required in paragraph (a) of this section must be submitted each year, on or before March 15, representing assets as of December 31 of the previous year. If no changes have occurred since the previous year's submission, the operator must comply with the guidance provided in the NPMS Operator Standards manual available at www.npms.phmsa.dot.gov or contact the PHMSA Geographic Information Systems Manager at (202) 366-4595.

A review of the RGT's records indicates that RGT failed to submit "no changes" for calendar year 2015 as required by §191.29(b).

3. §192.459 External corrosion control: Examination of buried pipeline when exposed. Whenever an operator has knowledge that any portion of a buried pipeline is exposed, the exposed portion must be examined for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated. If external corrosion requiring remedial action under §192.483 through §192.489 is found, the operator shall investigate circumferentially and longitudinally beyond the exposed portion (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the exposed portion.

During the field inspection, it was noted that multiple areas of buried pipeline were found to be exposed. All the areas were found on the top of the mesa between Trinidad, Colorado, and Raton, New Mexico. RGT failed to identify and perform examinations on the areas of exposed pipeline for evidence of external corrosion in accordance with §192.459.

4. §192.481 Atmospheric corrosion control: Monitoring.

(b) During inspections the operator must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.

During the field inspection, it was noted that RGT failed to inspect the pipe supports, and soil-to-air interfaces during atmospheric corrosion inspections in accordance with §192.481(b).

5. §192.605 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operation and maintenance activities and for emergency response. For transmission lines, the manual must include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

RGT failed to follow Procedure #10 (Continuing Surveillance) of the Operations and Maintenance Manual, which requires the supervisor to examine all completed records (Form #2000) on a quarterly interval to determine if any trends exist that require remedial action. RGT's records indicate continuing surveillance was being performed annually, rather than quarterly, per the procedure.

6. §192.615 Emergency plans.

(c) Each operator shall establish and maintain liaison with appropriate fire, police, and other public officials to:

(1) Learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency.

RGT failed to provide documentation as to how they were establishing and maintaining liaisons with public officials. The documentation provided was insufficient to demonstrate compliance with §192.615(c)(1).

7. §192.707 Line markers for mains and transmission lines.

(d) *Marker warning.* The following must be written legibly on background of sharply contrasting color on each line marker:

(1) The word “Warning,” “Caution,” or “Danger” followed by the words “Gas (or name of gas transported) Pipeline” all of which, except for markers in heavily developed urban areas, must be in letters at least 1 inch (25 millimeters) high with ¼ inch (6.4 millimeters) stroke.

During the field inspection, it was noted that the line markers on top of the mesa, between Trinidad and Raton, were found to be misplaced and/or faded/weathered such that the words on each pipeline marker were not legible to demonstrate compliance with §192.707(d)(1).

8. §192.707 Line markers for mains and transmission lines.

(d) *Marker warning.* The following must be written legibly on background of sharply contrasting color on each line marker:

(2) The name of the operator and the telephone number (including area code) where the operator can be reached at all times.

During the field inspection, it was noted that the telephone number found on RGT’s line markers goes to their office in Raton, New Mexico. Interviews of RGT personnel revealed that the office is not staffed 24 hours per day. The listed telephone number does not reach the pipeline operator at all times to demonstrate compliance with §192.707(d)(2).

9. §192.947 What records must an operator keep?

An operator must maintain, for the useful life of the pipeline, records that demonstrate compliance with the requirements of this subpart. At minimum, an operator must maintain the following records for review during an inspection.

(d) Documents to support any decision, analysis and process developed and used to implement and evaluate each element of the baseline assessment plan and integrity management plan. Documents included those developed and used in support of any identification, calculation, amendment, modification, justification, deviation and determination made, and any action taken to implement and evaluate any of the program elements.

RGT’s Potential Impact Radius (PIR) is incorrectly calculated. Therefore, RGT must re-evaluate the PIR and document the result in accordance with §192.947(d).

10. §192.616 Public awareness.

(d) The operator’s program must specifically include provisions to educate the public,

appropriate government organizations, and persons engaged in excavation related activities on:

- (1) Use of a one-call notification system prior to excavation and other damage prevention activities;**
- (2) Possible hazards associated with unintended releases from a gas pipeline facility;**
- (3) Physical indications that such a release may have occurred;**
- (4) Steps that should be taken for public safety in the event of a gas pipeline release; and**
- (5) Procedures for reporting such an event.**

RGT is relying on a one-call center outreach program to provide pipeline information to the excavators in the area near the Raton Gas Transmission pipeline. However, RGT failed to verify or document whether this is occurring. RGT was not able to provide an updated or current list of excavators near their pipeline, nor could they verify the last time excavators were provided with Public Awareness information.

11. §192.807 Recordkeeping.

Each operator shall maintain records that demonstrate compliance with this subpart.

(a) Qualification records shall include:

- (2) Identification of the covered tasks the individual is qualified to perform.**

RGT's field staff was performing line locating in calendar year 2015. RGT's Operator Qualification (OQ) Program identifies line locating as a covered task. However, records indicated that the field staff were not qualified to perform this covered task.

12. §192.603 General provisions.

(b) Each operator shall keep records necessary to administer the procedures established under §192.605.

RGT failed to maintain a current list of all excavators who normally operate within the vicinity of the RGT's pipeline in accordance with §192.614(c)(1). RGT's Appendix A1, Excavator List, had not been updated in several years, based upon conversations with the RGT personnel during the inspection. Additionally, when searched, several of the excavators found on the RGT's list had been out of business for more than three (3) years.

13. §192.603 General provisions.

(b) Each operator shall keep records necessary to administer the procedures established under §192.605.

RGT failed to maintain one-call records for their own excavations in accordance with §192.614(c)(5). While reviewing the RGT's 2017 patrolling records, documentation stated "replaced line markers by digging 24" down." However, RGT could not provide one-call tickets to demonstrate they called one-call prior to excavation for line markers installation.

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 items identified in this letter. Failure to do so will result in Raton Gas Transmission 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 5-2018-1005W**. 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,

Kim West
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 D. Fehling (#155182)