

Case Overview

Williams Gas Pipeline Company- Transco
Case Number 1-2005-1007

On October 3, 2005, a backhoe contractor hired by Williams Gas Pipeline Company (Williams) struck and punctured its natural gas transmission line in Chantilly, Virginia. Following a thorough investigation, PHMSA issued a Notice of Probable Violation to Williams alleging that it had violated several pipeline safety regulations, and simultaneously ordering the company to immediately implement corrective actions specified in an accompanying Compliance Order. Following an administrative hearing, PHMSA issued a Final Order in the case on July 30, 2007, finding that Williams did, in fact, violate pipeline safety regulations for which they were assessed civil penalties totaling \$590,385. On August 20, 2007, Williams filed a Petition for Reconsideration and Stay of the Final Order and proposed to settle the case.

As part of that effort, Williams proposed to undertake a range of projects designed both to improve Williams' damage prevention program and to reduce the risk of future excavation-related accidents for other natural gas and hazardous liquid pipelines. These actions all went beyond the requirements of the Federal pipeline safety regulations. Following extensive discussions, PHMSA and Williams executed a Consent Agreement and Order on January 16, 2009. Under the terms of that agreement, the original Final Order remained in full force and effect, except that PHMSA reduced the penalty to \$190,385, in consideration for William's agreement to perform two supplemental safety projects directly related to the causes of the Chantilly, VA, accident. Williams agreed to spend a minimum of \$562,500 on the two projects, thereby bringing the combined penalty and project costs to \$752,885. PHMSA also acknowledged in the agreement that as of such date, Williams had satisfactorily completed all of the corrective safety actions required by the Final Order.

Going beyond the Consent Agreement and Order, Williams also volunteered to fund several other damage-prevention projects, as described in a letter to PHMSA dated January 14, 2009. While not credited toward the settlement, these additional projects are valued at \$222,000.