



U.S. Department
Of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

WARNING LETTER

OVERNIGHT EXPRESS MAIL

November 29, 2012

Mr. John Pustulka, President
National Fuel Gas Supply Corporation
6363 Main Street
Williamsville, NY 14221-5887

CPF 1-2012-1024W

Dear Mr. Pustulka:

On July 27, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Line N 2012 Pipeline Expansion Project (4.58 miles) near Washington, PA.

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

1. **§192.241 Inspection and test of welds.**
 - (a) **Visual inspection of welding must be conducted by an individual qualified by appropriate training and experience to ensure that:**
 - (1) **The welding is performed in accordance with the welding procedure; and**
 - (2) **The weld is acceptable under paragraph (c) of this section.**

National Fuel Gas Supply Corporation (NFG) did not have records indicating that visual inspections had been performed on in-process welding on the Line N 2012 Pipeline Expansion Project to ensure that the welding procedures were followed.

The welding inspector stated that the in-process inspections are usually done once a day. On July 27, 2012, the welding inspector stated that he was unable to demonstrate his in-process

inspection techniques due to a defective volt meter. According to the welding inspector it had been a week to ten days since he had performed an in-process inspection to ensure that the welding procedures were being followed.

NFG should develop procedures to address this section of the code that include instructions for conducting in-process welding inspections (including inspection intervals) and a method for documenting these inspections.

2. §192.307 Inspection of materials.

Each length of pipe and each other component must be visually inspected at the site of installation to ensure that it has not sustained any visually determinable damage that could impair its serviceability.

NFG failed to visually inspect each length of pipe at the site of installation to ensure that it has not sustained any visually determinable damage that could impair its serviceability.

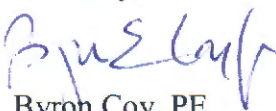
NFG personnel indicated that material inspections were performed for some of the smaller material as it was received on-site or at the construction yard. The individual receiving the material signs off on the material receiving report to note the receipt and inspection of the material. However, this process is not administered for larger components and line pipe.

NFG should develop procedures as applicable to ensure that material inspections are being performed and documented to show compliance with this section of the code.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any 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 National Fuel Gas Supply Corporation being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, please address your correspondence to: Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628 and please refer to **CPF 1-2012-1024W**. 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,



Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration