

WARNING LETTER

VIA ELECTRONIC MAIL TO: carnavosp@conedtransmission.com

March 5, 2021

Peter Carnavos
President
Honeoye Storage Corp
4 Irving Place
New York, NY 10003

CPF 1-2021-010-WL

Dear Peter Carnavos:

On May 26, 2020 to August 14, 2020, an inspector from the New York Department of Public Service (NY DPS), acting as Agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Honeoye Storage Corp's (HSC) Compression Station and pipe in Ontario county New York.

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 violations are:

- 1. 192.201 Required capacity of pressure relieving and limiting stations.**
 - (a) Each pressure relief station or pressure limiting station or group of those stations installed to protect a pipeline must have enough capacity, and must be set to operate, to insure the following:**
 - (1) ...**
 - (2) In pipelines other than a low pressure distribution system:**
 - (i) If the maximum allowable operating pressure is 60 p.s.i. (414 kPa) gage or more, the pressure may not exceed the maximum allowable operating pressure plus 10 percent, or the pressure that produces a hoop stress of 75 percent of SMYS, whichever is lower.**

HSC failed to have each pressure relief device set to operate at a pressure that would not exceed the maximum allowable operating pressure plus 10 percent (%), or the pressure that produces a hoop stress of 75% of SMYS, whichever is lower. Specifically, HSC failed to set the RV-1 relief device to relieve within the 1,030 psig maximum allowable operating pressure (MAOP) limit plus 10% during the 2017 inspection and test of RV-1.

During the inspection, the NY DPS inspector reviewed HSC's relief device inspection and test records for 2016-2020. The Relief Valve Testing records indicated that RV-1 high pressure relief valve was found at 1,148 psig and left at 1,135 psig on 10/17/2017. These pressures exceeded the MAOP plus 10% of 1,133 psi.

Additionally, the Relief Valve Testing records indicated that RV-1 high pressure relief valve was found at 1,135 psig and left at 1,133 on 10/24/2016. Setting a pressure relief device at MAOP plus 10% (1,133 psig) could result in over pressurization as pressure drop between the pressure relief valve to the regulator is not accounted for. A pressure relief valve begins to open at the set pressure plus any backpressure and kickoff pressure, and continues to open before it begins to relieve fully open. This results in an accumulation of overpressure above the set pressure due to the pressure drop. Therefore, setting a pressure relief device at MAOP plus 10% does not ensure pressure will not exceed the MAOP plus 10%.

Therefore, HSC failed to set the RV-1 pressure relief station to operate at a pressure that will not exceed MAOP plus 10% in accordance with § 192.201(a)(2)(i).

2. §192.619 Maximum allowable operating pressure: Steel or plastic pipelines.

(a) No person may operate a segment of steel or plastic pipeline at a pressure that exceeds a maximum allowable operating pressure (MAOP) determined under paragraph (c), (d), or (e) of this section, or the lowest of the following:

HSC failed to determine the maximum allowable operating pressure (MAOP) for steel pipeline segments in accordance with § 192.619. Specifically, HSC records failed to substantiate the established MAOP of its pipelines pursuant to § 192.619(a).

During the inspection, the NY DPS inspector reviewed HSC's historical pipe segment summary. The records indicated the established MAOP of 1,030 psig for the segments listed below. However, the pressure obtained by dividing the pressure to which the segment was tested after construction by 1.1, as per § 192.619(a)(2)(ii)¹, was lower than the established MAOP.

- Elm Tree Rd. West, Section 4: Test pressure 1,130 psig / 1.1 = 1,027 psig
- Route 64 West, Section 6: Test pressure 1,130 psig / 1.1 = 1,027 psig.
- Hopkins Rd. to Hickox Rd., Section 11: Test pressure 1,129 psig / 1.1 = 1,026 psig
- Hopkins Rd. to Hickox Rd., Section 12: Test pressure 1,129 psig / 1.1 = 1,026 psig

Therefore, HSC failed to establish a MAOP for its steel pipeline segments that did not exceed the lowest applicable pressure determined in accordance with § 192.619(a).

3. **§192.705 - Transmission lines: Patrolling.**

(a) ...

(b) The frequency of patrols is determined by the size of the line, the operating pressures, the class location, terrain, weather, and other relevant factors, but intervals between patrols may not be longer than prescribed in the following table:

Class location of line	Maximum interval between patrols	
	At highway and railroad crossings	At all other places
1, 2	7½ months; but at least twice each calendar year	15 months; but at least once each calendar year.
3	4½ months; but at least four times each calendar year	7½ months; but at least twice each calendar year.
4	4½ months; but at least four times each calendar year	4½ months; but at least four times each calendar year.

HSC failed to patrol transmission pipeline highway and railroad crossings at an interval not longer than 7 ½-months, but at least twice each calendar year. Specifically, HSC exceeded the 7-½ month maximum interval for 13 highway and railroad crossings in Class 1 and 2 locations along its TGP to HSC Compressor Station transmission pipeline between 2018 and 2019.

During the inspection, the NY DPS inspector reviewed HSC's Road Crossing Inspection records for 2016-2020. The records indicated that the 13 highway and railroad crossings from TGP to HSC Compressor Station were patrolled on 10/23/18, and not again until 9/14/19, which exceeded the 7 ½-month maximum interval for Class 1 and 2 locations by 97 days.

Therefore, HSC failed to patrol its transmission pipeline's highway and railroad crossings at 7 ½-month intervals in accordance with § 192.705(b).

4. **§192.709 - Transmission lines: Record keeping.**

(c) A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer.

Each operator shall maintain the following records for transmission lines for the periods specified:

HSC failed to maintain a record of each patrol, survey, inspection, and test required by subparts L and M of Part 192 for at least 5 years or until the next inspection or test is completed, whichever is longer. Specifically, HSC failed to maintain records demonstrating that two (2) compressor station pressure relieving devices were inspected and tested in accordance with § 192.739(a)², as required by § 192.731(a)³, during 2015 and 2016.

Section 192.731(a) requires that each pressure limiting station, relief device (except rupture discs) and pressure regulating station and its equipment be inspected and tested in accordance with § 192.739(a) at intervals not exceeding 15 months, but at least once each calendar year.

During the inspection, the NY DPS inspector reviewed HSCs compressor station relief device inspection and test records for 2015-2019. The records indicated that the RV-9 compressor station relief device was inspected and tested on 10/25/16, 10/17/17, 11/05/18, and 11/05/19, but there was no 2015 inspection and test record. The records also indicated that the RV-24 compressor station relief device was inspected and tested on 8/20/15, 10/17/17, 11/06/18, and 11/04/19, but there was no 2016 inspection and test record.

Therefore, HSC failed in 2 instances to maintain a record of each inspection and test for the RV-9 compressor station relief device and for the RV-24 compressor station relief device, as required by § 192.709(c).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

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 Honeoye Gas Storage Corp 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 1-2021-010-WL**. 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,

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

¹ §192.619 Maximum allowable operating pressure: Steel or plastic pipelines.

(a) No person may operate a segment of steel or plastic pipeline at a pressure that exceeds a maximum allowable operating pressure (MAOP) determined under paragraph (c), (d), or (e) of this section, or the lowest of the following:

- (1) ...
- (2) The pressure obtained by dividing the pressure to which the pipeline segment was tested after construction as follows:
 - (i) ...
 - (ii) For steel pipe operated at 100 psi (689 kPa) gage or more, the test pressure is divided by a factor determined in accordance with the Table 1 to paragraph (a)(2)(ii):

TABLE 1 TO PARAGRAPH (a)(2)(ii)

Class location	Installed before (Nov. 12, 1970)	Factors, ¹ segment—		
		Installed after (Nov. 11, 1970) and before July 1, 2020	Installed on or after July 1, 2020	Converted under §192.14
1	1.1	1.1	1.25	1.25
2	1.25	1.25	1.25	1.25
3	1.4	1.5	1.5	1.5
4	1.4	1.5	1.5	1.5

² §192.739 Pressure limiting and regulating stations: Inspection and testing.

(a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is-

- (1) In good mechanical condition;
- (2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;
- (3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of §192.201(a); and
- (4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.

³ §192.731 Compressor stations: Inspection and testing of relief devices.

(a) Except for rupture discs, each pressure relieving device in a compressor station must be inspected and tested in accordance with §§192.739 and 192.743, and must be operated periodically to determine that it opens at the correct set pressure.