



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628
609.771.7800

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY**

OVERNIGHT EXPRESS DELIVERY

June 17, 2021

Mr. Mark Cluff
VP Safety & Operational Discipline
Transcontinental Gas Pipeline Company
One Williams Center
P.O. Box 645
Tulsa, OK 74172

CPF 1-2021-013-NOPV

Dear Mr. Cluff:

From October 19, 2020 - November 4, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Transcontinental Gas Pipeline Company's (Transco) procedures and records for its Station 240 LNG plant in Carlstadt, New Jersey.

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. § 193.2521 Operating records.

Each operator shall maintain a record of results of each inspection, test and investigation required by this subpart. For each LNG facility that is designed and constructed after March 31, 2000 the operator shall also maintain related inspection, testing, and investigation records that NFPA 59A (incorporated by reference, see § 193.2013) requires.

Such records, whether required by this part or NFPA-59A-2001, must be kept for a period of not less than five years.

Transco failed to maintain records that personnel responded to indications of abnormal operations.

During the inspection, the PHMSA inspector requested records for abnormal operations for calendar years 2017 through 2020. Transco discussed abnormal operating condition (AOC) training attendance rosters which corresponded to completion of AOC training. Transco stated that they did have AOCs, but are unaware of the number of AOCs per year. Transco did not provide any other records related to AOCs.

Post-inspection, Transco provided a document titled *R3*, which appeared to be a scan of daily operator logs. When the PHMSA inspector asked what this information contained, Transco stated, “The provided records were sourced from the Daily Operator Logs over the period between 2017 – 2020. During the duration between 2017-present, the Operations Team transitioned from handwritten Daily Operator Logs recorded in a calendar-year volumed logbook toward a digital daily log process...”

However, the daily operator logs did not contain any indications or references to AOCs or Transco’s response to AOCs (if applicable).

Therefore, Transco failed to maintain records of its AOC responses in accordance with the requirements of § 193.2521.

2. § 193.2605 Maintenance procedures.

(a) ...

(b) Each operator shall follow one or more manuals of written procedures for the maintenance of each component, including any required corrosion control...

Transco failed to follow its manual of written procedures for the inspection of support systems. Specifically, Transco failed to follow its *53.00.08- Inspect Structural Support Systems Support Systems* (Procedure) for conducting the 5-Year visual inspection of structural supports and foundations at the LNG Plant.

During the inspection, the PHMSA inspector requested records showing that the LNG Plant’s foundations and support systems have been inspected. Transco provided the *Year 2018 Station 240 Concrete Support Inspection Report, dated 12/18/18* (Record).

The PHMSA inspector also reviewed the Procedure, Section C which discussed Transco’s priority and grading scale for structural supports and foundations. However, the Record failed to indicate any priority or grading scale for its structural supports and foundations, as required by the Procedure. When the PHMSA inspector asked Transco where this information was documented, Transco stated that there is no priority on the report, only the conditions noted.

Additionally, Section D of the Procedure discussed Transco’s process for reviewing defects that

are found and selecting repair methods and schedules based on engineering judgement. The Record identified four concrete supports that were suggested for repair, primarily containing areas of significant spalling. When the PHMSA inspector asked Transco for documentation regarding a repair method and schedule, Transco stated that there were no issues needing remediation and there are no records of corrective actions stemming from this report.

Therefore, Transco failed to follow its Procedure for conducting the 5-Year visual inspection of structural supports and foundations in accordance with § 193.2605(b).

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not 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. Also, for each violation involving LNG facilities, and additional penalty of not more than \$82,245 occurring on or after May 3, 2021 may be imposed. For each violation involving LNG facilities, an additional penalty of not more than \$81,284 occurring on or after January 11, 2021 and before May 3, 2021 may be imposed. For each violation involving LNG facilities, an additional penalty of not more than \$79,875 occurring on or after July 31, 2019 and before January 11, 2021 may be imposed. For each violation involving LNG facilities, an additional penalty of not more than \$77,910 occurring on or after November 27, 2018 and before July 31, 2019 may be imposed. For each violation involving LNG facilities occurring on or after November 2, 2015 and before November 27, 2018, an additional penalty of not more than \$76,352 may be imposed.

<u>Item number</u>	<u>PENALTY</u>
2	\$93,900

Warning Item

With respect to Item 1, 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 promptly correct this item. Failure to do so may result in additional enforcement action.

Response to this Notice

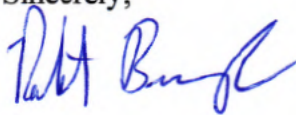
Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. All

material you submit in response to this enforcement action may be 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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 190.211. 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. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from the receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 1-2021-013-NOPV**, and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert Burrough".

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

Enclosure: *Response Options for Pipeline Operators in Enforcement Proceedings*