

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

March 22, 2022

Mr. Stanley Chapman
Executive Vice President & President US & Mexico Natural Gas
ANR Pipeline Co
7000 Louisiana Street
Houston, Texas 77002

CPF 1-2022-019-WL

Dear Mr. Chapman:

On May 10, 2021, ANR Pipeline Company (ANR) submitted to PHMSA a letter related to Safety Related Condition Reports (SRC). 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.) reviewed the submission and investigated these conditions.

As a result of the investigation, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item investigated and the probable violation is:

1. § 191.25 Filing safety-related condition reports.

(a) Each report of a safety-related condition under § 191.23(a)(1) through (9) must be filed (received by the Associate Administrator) in writing within 5 working days (not including Saturday, Sunday, or Federal holidays) after the day a representative of an operator first determines that the condition exists, but not later than 10 working days after the day a representative of an operator discovers the condition. Separate conditions may be described in a single report if they are closely related. Reporting methods and report requirements are described in paragraph (c) of this section.

ANR failed to file one safety related condition (SRC) report within the reporting requirements of § 191.25(a). Specifically, ANR failed to file reports within 5 working days after the day a representative first determined that the conditions existed, but not later than 10 working days after the day a representative of ANR discovered the conditions.

On May 10, 2021, PHMSA received a letter from ANR reporting the discovery of one SRC in which underground natural gas storage wells were not isolated from the storage horizon within 5 business days or reported to PHMSA within the required 10 days of discovery. The following table lists the SRC identified and submitted by ANR on May 10, 2021.

Well Name	Date of Discovery	Date of Determination	Date Well out of service	Notification date
9409	2/7/2020	2/7/2020	4/1/2020	5/10/2021

Therefore, ANR failed to report one safety related condition in accordance with the reporting requirements of § 191.25.

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.

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 ANR Pipeline Co 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 1-2022-019-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, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration