

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

February 2, 2023

David P. Bauer
President and Chief Executive Officer
National Fuel Gas Supply Corporation
6363 Main Street
Williamsville, New York 14221

CPF 1-2023-005-WL

Dear Mr. Bauer:

On September 14, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected National Fuel Gas Supply Corporation's (NFG) mainline valves and other above ground natural gas pipeline appurtenances within the FM120 pipeline segment subject to Special Permit PHMSA-2017-0090 and located in Elk and McKean Counties, PA.

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

1. § 192.751 Prevention of accidental ignition.

Each operator shall take steps to minimize the danger of accidental ignition of gas in any structure or area where the presence of gas constitutes a hazard of fire or explosion, including the following:

(a) ...

(c) Post warning signs, where appropriate.

NFG failed to post warning signs that demonstrate compliance with the requirements of § 192.751(c). Specifically, NFG failed to post warning signs at two fenced above ground natural gas facilities located along its pipeline right of way.

During the inspection, PHMSA observed and photographed two (2) separate sites along the

FlexSteel FM120 pipeline that were built, being operated, and maintained by NFG under Special Permit PHMSA-2017-0090. The sites contain above ground natural gas appurtenances that were within fenced in areas. Photographs at facilities located at approximate Mile Posts 0.00 and 1.20 demonstrated a failure to have signs posted warning those in the area of the potential for accidental ignition pursuant to § 192.751(c).

Therefore, NFG failed to post warning signs where appropriate pursuant to § 192.751(c).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,142 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not 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 item 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, in your correspondence please refer to **CPF 1-2023-005-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