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

233 Peachtree Street Ste. 600
Atlanta, GA 30303

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 16, 2008

Mr. David N. Link
Vice President
Raton Gas Transmission
223 N. Guadalupe #274
Santa Fe, New Mexico 87501-1850

CPF 2-2008-1010W

Dear Mr. Link:

On July 22 – 24 and August 5 – 6, 2008, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your records in Raton, New Mexico and facilities in Colorado and New Mexico.

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. **§192.615 Emergency plans.**
(b) Each operator shall:
(3) Review employee activities to determine whether the procedures were effectively followed in each emergency.

§192.605 Procedural manual for operations, maintenance, and emergencies.
(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

Raton Gas Transmission (Raton) does not have records of the review of employee actions for the September 15, 2004 incident that occurred in Las Animas County, Colorado. Per Raton personnel, the review was conducted on September 17, 2004 with engineers from the PHMSA Western Region but there is no documentation of the review. The results of the review are to be documented and retained per Raton's O&M *Procedure 180 – Emergency Plan.*

Raton had no documentation of the post-accident review following the September 15, 2004 incident.

2. **§192.225 Welding procedures.**
(a) Welding must be performed by a qualified welder in accordance with welding procedures qualified under section 5 of API 1104 (incorporated by reference, see §192.7) or section IX of the ASME Boiler and Pressure Vessel Code `` Welding and Brazing Qualifications'' (incorporated by reference, see §192.7) to produce welds meeting the requirements of this subpart. The quality of the test welds used to qualify welding procedures shall be determined by destructive testing in accordance with the applicable welding standard(s).
(b) Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.

Raton did not have a copy of the welding procedure used to repair the pipeline following the September 15, 2004 incident. Raton provided copies of welding procedures that were used during the qualification of the welder during prior years, but not the procedure used for the repair.

Raton was unable to provide an approved welding procedure for the pipe replacement repair following the September 14, 2004 incident. The welder qualification record provided is not marked as a procedure qualification.

3. **§192.241 Inspection and test of welds.**
(b) The welds on a pipeline to be operated at a pressure that produces a hoop stress of 20 percent or more of SMYS must be nondestructively tested in accordance with §192.243, except that welds that are visually inspected and approved by a qualified welding inspector need not be nondestructively tested if:
(1) The pipe has a nominal diameter of less than 6 inches (152 millimeters); or
(2) The pipeline is to be operated at a pressure that produces a hoop stress of less than 40 percent of SMYS and the welds are so limited in number that nondestructive testing is impractical.

§192.243 Nondestructive testing.

(d) When nondestructive testing is required under §192.241(b), the following percentages of each day's field butt welds, selected at random by the operator, must be nondestructively tested over their entire circumference;
(4) At pipeline tie-ins, including tie-ins of replacement sections, 100 percent.
(f) When nondestructive testing is required under §192.241(b), each operator must retain, for the life of the pipeline, a record showing by milepost, engineering station, or by geographic feature, the number of girth welds made, the number nondestructively tested, the number rejected, and the disposition of the rejects.

Raton does not have records of the nondestructive testing of the tie-in welds for the repair made to the pipeline subsequent to the September 14, 2004 incident. Per Raton personnel, the welds were examined by radiography and the films provided to PHMSA Western Region engineers after the post-accident review.

Raton does not have the records of the nondestructive testing performed on the tie-in welds for the pipeline repairs made subsequent to the September 14, 2004 incident.

4. **§192.243 Nondestructive testing.**
(b) Nondestructive testing of welds must be performed:
(1) In accordance with written procedures

Raton does not have written copies of the nondestructive testing procedures used for the radiographic examination of the tie-in welds for the repair made to the pipeline subsequent to the September 14, 2004 incident.

Raton does not have the records of the nondestructive testing procedures used to examine the tie-in welds for the pipeline repairs made subsequent to the September 14, 2004 incident.

5. **§192.243 Nondestructive testing.**
(b) Nondestructive testing of welds must be performed:
(2) By persons who have been trained and qualified in the established procedures and with the equipment employed in testing.

Raton does not have the training and qualification records for the personnel who performed the nondestructive testing of the tie-in welds for the repair made to the pipeline subsequent to the September 14, 2004 incident.

6. **§192.807 Recordkeeping.**

Each operator shall maintain records that demonstrate compliance with this subpart.
(a) Qualification records shall include:
(1) Identification of qualified individual(s);

(2) Identification of the covered tasks the individual is qualified to perform;
(3) Date(s) of current qualification; and
(4) Qualification method(s).
(b) Records supporting an individual's current qualification shall be maintained while he individual is performing the covered task. Records of prior qualification and records of individuals no longer performing covered tasks shall be retained for a period of five years.

Raton does not have the Operator Qualification (OQ) records for the welder and nondestructive testing personnel who performed the welding and radiographic examination covered tasks of the tie-in welds for the pipeline repairs made subsequent to the September 14, 2004 incident.

Raton does not have the OQ qualification records for contractor personnel who performed covered tasks on the pipeline subsequent to the September 14, 2004 incident.

7. **§192.615 Emergency plans.**
(b) Each operator shall:
(2) Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective.

§192.605 Procedural manual for operations, maintenance, and emergencies.
(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

Raton does not have documentation for emergency training conducted in 2005, 2006, and 2007. Per Raton personnel the emergency response training is conducted with Raton's annual OQ refresher training – the OQ refresher training documentation does not address the emergency response training. Annual emergency training is required by Raton's O&M *Procedure 180 – Emergency Plan.*

Raton could not provide training records for the 2005, 2006, and 2007 emergency response training.

8. **§192.465 External corrosion control: Monitoring.**
(a) Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine

whether the cathodic protection meets the requirements of §192.463. However, if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.

Raton exceeded the 15 month interval between the 2006 and 2007 readings for the annual cathodic protection survey at County Road 72-2 and Raton's Trinidad Station. The readings at the test stations were taken in April 2006 and December 2007. The records do not show the date the readings were taken, therefore the readings exceeded 15 months by at least four (4) months.

Raton's Form 2100 for 2006 and 2007 show the test stations at Trinidad Station and County Road 73-2 were checked for cathodic protection readings in April 2006 and December 2007.

9. **§192.907 What must an operator do to implement this subpart?**
(a) *General.* No later than December 17, 2004, an operator of a covered pipeline segment must develop and follow a written integrity management program that contains all the elements described in §192.911 and that addresses the risks on each covered transmission pipeline segment. The initial integrity management program must consist, at a minimum, of a framework that describes the process for implementing each program element, how relevant decisions will be made and by whom, a time line for completing the work to implement the program element, and how information gained from experience will be continuously incorporated into the program. The framework will evolve into a more detailed and comprehensive program. An operator must make continual improvements to the program.

§192.905 How does an operator identify a high consequence area?
(a) *General.* To determine which segments of an operator's transmission pipeline system are covered by this subpart, an operator must identify the high consequence areas. An operator must use method (1) or (2) from the definition in §192.903 to identify a high consequence area. An operator may apply one method to its entire pipeline system, or an operator may apply one method to individual portions of the pipeline system. An operator must describe in its integrity management program which method it is applying to each portion of the operator's pipeline system. The description must include the potential impact radius when utilized to establish a high consequence area. (See appendix E.I. for guidance on identifying high consequence areas.)
(b)(1) *Identified sites.* An operator must identify an identified site, for purposes of this subpart, from information the operator has obtained from routine operation

and maintenance activities and from public officials with safety or emergency response or planning responsibilities who indicate to the operator that they know of locations that meet the identified site criteria. These public officials could include officials on a local emergency planning commission or relevant Native American tribal officials.

Raton's *Pipeline Integrity Management Plan* states that Raton uses method 1 to determine high consequence areas and none were identified on the pipeline. Raton personnel stated that this check was accomplished during the 2004 patrol of the pipeline but the 2004 *Form 1100 Pipeline Patrolling Record* does not state the check made for identified sites. Raton's *Pipeline Integrity Management Plan Revised August 1, 2008* states that no identified sites were found in a physical walk of the pipeline by Raton's vice president and a senior technician and in contacts with local officials.

10. **§192.907 What must an operator do to implement this subpart?**
(a) *General.* No later than December 17, 2004, an operator of a covered pipeline segment must develop and follow a written integrity management program that contains all the elements described in §192.911 and that addresses the risks on each covered transmission pipeline segment. The initial integrity management program must consist, at a minimum, of a framework that describes the process for implementing each program element, how relevant decisions will be made and by whom, a time line for completing the work to implement the program element, and how information gained from experience will be continuously incorporated into the program. The framework will evolve into a more detailed and comprehensive program. An operator must make continual improvements to the program.

§192.905 How does an operator identify a high consequence area?
(c) *Newly identified areas.* When an operator has information that the area around a pipeline segment not previously identified as a high consequence area could satisfy any of the definitions in §192.903, the operator must complete the evaluation using method (1) or (2). If the segment is determined to meet the definition as a high consequence area, it must be incorporated into the operator's baseline assessment plan as a high consequence area within one year from the date the area is identified.

Raton's 2005 and 2006 *Form 1100 Pipeline Patrolling Record* does not state the pipeline was checked for identified sites. The 2006, 2007, and 2008 *Form 1100 Pipeline Patrolling Record* do document the check of the pipeline for identified sites.

11. **§192.809 General.**
(a) Operators must have a written qualification program by April 27, 2001. The program must be available for review by the Administrator or by a state agency

participating under 49 U.S.C. Chapter 601 if the program is under the authority of that state agency.
(b) Operators must complete the qualification of individuals performing covered tasks by October 28, 2002.

§192.805 Qualification program.
Each operator shall have and follow a written qualification program. The program shall include provisions to:
(a) Identify covered tasks;
(b) Ensure through evaluation that individuals performing covered tasks are qualified;
(c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified;

§192.807 Recordkeeping.
Each operator shall maintain records that demonstrate compliance with this subpart.
(a) Qualification records shall include:
(1) Identification of qualified individual(s);
(2) Identification of the covered tasks the individual is qualified to perform;
(3) Date(s) of current qualification; and
(4) Qualification method(s).
(b) Records supporting an individual's current qualification shall be maintained while he individual is performing the covered task. Records of prior qualification and records of individuals no longer performing covered tasks shall be retained for a period of five years.

Raton cannot provide the OQ qualification records for the welder who performed the repair work on the pipeline subsequent to the September 15, 2004 incident in Las Animas County, Colorado. Per Raton's Operator Qualification Plan the covered task of welding cannot be observed a person not OQ qualified for the covered task if observed by another OQ qualified individual.

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 Raton Gas Transmission 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 2-2008-1010W.** 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,

Linda Daugherty

Linda Daugherty
Director, Southern Region
Pipeline and Hazardous Materials Safety Administration