



U.S. Department
of Transportation

Pipeline and Hazardous
Materials Safety
Administration

1200 New Jersey Avenue, SE
Washington, D.C. 20590

JUN 10 2013

Mr. David Goodwin
Vice President
Compliance and Operation Services
Gulf South Pipeline Company, LP
9 Greenway Plaza, Suite 2800
Houston, TX 77046

Re: CPF No. 2-2013-1001

Dear Mr. Goodwin:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and specifies actions that need to be taken by Gulf South Pipeline Company, LP to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Southern Region, this enforcement action will be closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

for: [Signature]
Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Wayne T. Lemoi, Director, Southern Region, OPS
Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, OPS

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

¹ <http://www.gulfsouthpl.com/AboutUsGS.aspx> (last accessed on May 17, 2013).

FINDING OF VIOLATION

In its Response, Gulf South did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192.467(d), as follows:

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 192.467(d), which states in relevant part:

§ 192.467 External corrosion control: Electrical isolation.

(a) Each buried or submerged pipeline must be electrically isolated from other underground metallic structures, unless the pipeline and the other structures are electrically interconnected and cathodically protected as a single unit...

(d) Inspection and electrical tests must be made to assure that electrical isolation is adequate.

The Notice alleged that Respondent violated 49 C.F.R. § 192.467(d) by failing to test and inspect its facilities to assure that electrical isolation and cathodic protection were adequate. Gulf South did not have records to demonstrate that its pipeline had been electrically inspected and tested at the Hattiesburg Delivery Station No. 1, the Petal Compressor Station, and the metering station, which provides lift gas to Triad Blackburn. During the OPS inspection, pipe-to-soil readings of -530mV were noted for the Hattiesburg Delivery Station, -630 mV for the Petal Compressor station, and -270 mV for the metering station. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.467(d) by failing to ensure that electrical isolation and cathodic protection levels were adequate.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

WARNING ITEM

With respect to Item 1, the Notice alleged a probable violation of Part 192 but did not propose a civil penalty or compliance order for this item. Therefore, this is considered to be a warning item. The warning was for:

49 C.F.R. § 192.465 (**Item 1**) — Respondent's alleged failure to monitor its cathodic protection test stations, rectifiers, and interference bonds within the required intervals. Specifically, Gulf South performed the required inspections on the Hattiesburg-Petal Storage System one month late.

If OPS finds a violation of this provision in a subsequent inspection, Respondent may be subject to future enforcement action.

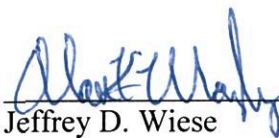
COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 2 in the Notice for a violation of 49 C.F.R. § 192.467(d). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 192.467(d) (**Item 2**), Respondent must:
 - A. Conduct an inventory of all above-ground facilities with buried change of custody locations;
 - B. Inspect and test Gulf South's pipeline at the Hattiesburg Delivery Station No. 1, the Petal Compressor station, and the metering station, which provides lift gas to Triad Blackburn;
 - C. Include these three locations in Gulf South's external corrosion control monitoring program; and
 - D. Correct any deficiencies noted per Section 192.463(d).
2. Gulf South must notify the Director, Southern Region, OPS within 150 days following the date of issuance of this Final Order that Compliance Order Items 1(A) and 1(B) have been completed. Gulf South must maintain records associated with Item 1 above for future review by PHMSA Southern Region.
3. It is requested (not mandated) that Gulf South maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Wayne Lemoi, Director, Southern Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$100,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

for: 
 Jeffrey D. Wiese
 Associate Administrator
 for Pipeline Safety

JUN 10 2013
 Date Issued