U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

230 Peachtree Street N.W.
Suite 2100
Atlanta, GA 30303

WARNING LETTER

<u>CERTIFIED MAIL - RETURN RECEIPT REQUESTED</u>

July 28, 2023

Ted Meinhold
Vice President, Operations
Southern Natural Gas Co.
1001 Louisiana Street
Suite 1000
Houston, Texas 77002

CPF 2-2023-008-WL

Dear Mr. Meinhold:

From May 17 to May 21, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your written procedures, records, and facilities in northern Louisiana.

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. § 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.**

SNG failed to meet the regulation because it did not follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities. Specifically, SNG failed to follow its manual of written procedures which required it to document each gas and fire detection system test which are required at least 4 times each year, not to exceed 4.5 months per Kinder Morgan Procedure O&M 550. SNG uses Kinder Morgan (KM) procedures to comply with 49 CFR Part 192.

KM Procedure O&M 550, titled "Testing Gas and Fire Detection Systems," dated January 1, 2017, prescribes actions to ensure each gas detection and alarm system are maintained to function properly, as required by 192.736(c). O&M 550, Section 5 "Documentation", requires personnel to "Record each calibration test date and results in the daily log or the I&M system." O&M 550 references KM procedure O&M 1700, titled "Inspection and Maintenance", dated November 1, 2019, which provides an outline to schedule inspections and maintenance for company facilities. O&M 1700 references KM procedure IM1700, titled "Inspection and Maintenance Procedures (O&M 1700 Matrix)" which lists various inspection and maintenance intervals for various components in company facilities. IM1700 contains I&M Procedure #I-0551.00, last revised 03/12/1999, which requires the frequency to test and calibrate each gas and fire detection system to be "at least 4 times each year, not to exceed 4.5 months".

Records reviewed during the inspection demonstrate that SNG documented the test and calibration of each gas and fire detection system only 3 times per year during the following years:

- Bear Creek Storage Compressor Station: 2017, 2018, 2019, 2020
- Logansport Compressor Station: 2018, 2019, 2020
- Bienville Compressor Station: 2017, 2019, 2020

Furthermore, records reviewed during inspection demonstrate that SNG did not document the test and calibration of each gas and fire detection system within the required 4.5-month interval:

- Bear Creek Storage Compressor Station:
  - 2018, 02/23/2018 to 07/31/2018 (5 months 8 days)
- Logansport Compressor Station:
  - 2017, 06/26/2017 to 11/13/2017 (4 months 18 days)
  - 2018, 01/24/2018 to 10/01/2018 (8 months 7 days)
  - 2020, 01/30/2020 to 09/21/2020 (7 months 22 days)

2. § 192.709 Transmission lines: Record keeping.

Each operator shall maintain the following records for transmission lines for the periods specified:

(a)…
(c) A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer.

SNG failed to meet the regulation because it did not maintain a record of each patrol, survey, inspection, and test required by subparts L and M of this part. Specifically, SNG failed to maintain records for inspection and testing each remote-control shutdown device at intervals not exceeding 15 months, but at least once each calendar year, as required by 192.731(c).

Records reviewed during the inspection demonstrated the ESD system at the Bear Creek Storage Compressor Station had been tested on 04/22/2017 and 10/18/2018, an interval of 17 months 26 days. SNG did not have a record to demonstrate that they had not exceeded the 15-month requirement.

3. § 192.745 Valve maintenance: Transmission lines.

(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.

SNG failed to meet the regulation because it did not inspect and partially operate each transmission line valve that might be required during any emergency at intervals not exceeding 15 months, but at least once each calendar year. Specifically, SNG records demonstrate 54 instances where valves were not at least partially operated during the 2019 calendar year.

Records reviewed for Bear Creek Storage and SNG Unit 614, called "Valve Inspection Service Reports", specified certain valves had not been operated during the 2019 calendar year by writing "Did not operate" or "DNO" in the "comments" column and did not indicate either full or partial operation in the "Operated" column. The previous inspections where the valves were at least partially operated occurred between 08/27/2018 and 09/06/2018. The next inspections where the valves were at least partially operated occurred between 11/03/2020 and 11/18/2020. The interval between operated valve inspections ranged from 26 months 5 days to 26 months 12 days.

SNG explained that some of the valves in Bear Creek storage that were not operated were in Lock-out-tag-out due to recent incidents, and therefore could not be operated. Bear Creek storage accounts for 24 of the 54 valves not operated in 2019.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed $257,664 per violation per day the violation persists, up to a maximum of $2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before

January 6, 2023, the maximum penalty may not 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 items identified in this letter. Failure to do so will result in Southern Natural Gas Company 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 2-2023-008-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,

Derick L Turner

for

James A. Urisko
Director, Southern Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration