

NOTICE OF PROBABLE VIOLATION PROPOSED CIVIL PENALTY

VIA ELECTRONIC MAIL TO: amy.shank@williams.com; mason.jones@williams.com;
edgar.x.rodriguez@williams.com; Jorge.Lopez2@williams.com

October 24, 2024

Amy Shank
Vice President of Safety & Operational Discipline
Transcontinental Gas Pipeline Company
One Williams Center, MD 43-4
Tulsa, OK, 74172

CPF 2-2024-014-NOPV

Dear Ms. Shank:

From May 1, 2023 to December 1, 2023, representatives 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.), inspected Transcontinental Gas Pipeline Company (Transco) facilities, records, and procedures in Delaware, New Jersey, New York, and Pennsylvania.

As a result of the inspection, it is alleged that Transco has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

- 1. §192.619 Maximum allowable operating pressure: Steel or plastic pipelines.
(a) No person may operate a segment of steel or plastic pipeline at a pressure that exceeds a maximum allowable operating pressure (MAOP) determined under paragraph (c), (d), or (e) of this section, or the lowest of the following....**

Transco failed to comply with 49 C.F.R. § 192.619(a) because it operated a segment of steel pipeline at pressures that exceed the MAOP as determined by § 192.619.

On August 31, 2023, Transco submitted a Safety Related Condition Report (SRCR) to PHMSA as required by § 191.23 for an MAOP exceedance at the Milltown Regulator Station. The SRCR described that the MAOP was exceeded between August 17, 2023 to August 30, 2023. The line segment's MAOP is 676psig. After reviewing Milltown Regulator Pressure Data from Transco, it was determined that Transco operated the section of pipe at pressures exceeding 110% of MAOP for 11 days, 16 hours between August 17, 2023 to August 30, 2023. The maximum pressure during this time was 778.5psig, or 115% of MAOP.

2. §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.)

Transco failed to comply with 49 C.F.R. §192.905(a) because it did not identify a high consequence area (HCA) on its Harrison Lateral.

During a site visit on November 2, 2023, along the Harrison Lateral in New Jersey, a PHMSA inspector observed multiple 5-story apartment buildings and a stadium adjacent to Transco's right-of-way. This location was not classified as an HCA at this time, despite the proximity of the pipeline to the apartment buildings and stadium. The two apartment buildings have 280 and 286 units, and were built in 2018 and 2017, respectively. The stadium has a seating capacity of 25,000 and hosts the local Major League Soccer and National Women's Soccer team home games along with other sport, concert, and community events. A subsequent review of Transco's KMZ^a files, created from Williams'^b "Pipeline Open Data Standard" (PODS) database, confirmed that the apartment buildings and the stadium fall within the pipeline's potential impact radius. Transco utilized method 2 under § 192.903 to define its HCAs.

Transco personnel explained that during an update to the PODS database intended to identify Moderate Consequence Areas in 2021, the HCA was inadvertently excluded and downgraded to a non-HCA. This HCA was dropped sometime between June 7, 2021 and June 6, 2022, and remained as a non-HCA until observed during the field inspection by the PHMSA inspector on November 2, 2023. The HCA was subsequently added back to the system on November 6, 2023.

^a KMZ is a compressed KML file format used to visually display geographic data in an Earth Browser.

^b Transco is a subsidiary of Williams Companies, Inc. (Williams). See Operations, WILLIAMS, <https://www.williams.com/pipeline/transco/> (last accessed Aug. 13, 2024).

3. **§192.5 Class locations.**

(a)

(b) **Except as provided in paragraph (c) of this section, pipeline locations are classified as follows:**

(1)

(4) **A Class 4 location is any class location unit where buildings with four or more stories above ground are prevalent.**

Transco failed to comply with 49 C.F.R. §192.5(b)(4) because it did not identify a Class 4 location along its Harrison Lateral.

During a site visit on November 2, 2023, along the Harrison Lateral in New Jersey, a PHMSA inspector observed four five-story apartment buildings and a multi-story stadium adjacent to Transco's right-of-way. The four apartment buildings were built in 2015, 2017, 2018, and 2023, and include between 280 and 399 apartments in each building. Red Bull arena was built in 2010 and has a seating capacity of 25,000. A review of Transco's KMZ files, created from Williams' PODS database, confirmed that Transco had listed the referenced area as a Class 1 location.

Transco subsequently updated this location to a Class 4 location and presented this information to PHMSA inspectors during the week of November 27, 2023.

4. **§191.17 Transmission systems; gathering systems; liquefied natural gas facilities; and underground natural gas storage facilities: Annual report.**

(a) **Pipeline systems -**

(1) ***Transmission, offshore gathering, or regulated onshore gathering. Each operator of a transmission, offshore gathering, or regulated onshore gathering pipeline system must submit an annual report for that system on DOT Form PHMSA F 7100.2-1. This report must be submitted each year, not later than March 15, for the preceding calendar year.***

Transco failed to comply with 49 C.F.R. § 191.17(a)(1) because it did not complete all required information in its annual reports. Specifically, Transco failed to completely document all information in Part F of its annual report for calendar years 2020 and 2021.

Transco submitted Annual Reports to PHMSA for calendar years 2020 and 2021 as required by § 191.17. In each report, the following information was not populated:

2020 Annual Report

- Part F: Section 2c, titled "Total Number of ILI conditions repaired WITHIN AN HCA SEGMENT meeting the definition of "immediate repair conditions," "One-year conditions," "Monitored conditions," and "Other Scheduled conditions" as defined in 192.933(d)."

2021 Annual Report

- Part F: Section 2c, titled "Total Number of ILI conditions repaired WITHIN AN HCA SEGMENT meeting the definition of "immediate repair conditions," "One-

year conditions," "Monitored conditions," and "Other Scheduled conditions" as defined in 192.933(d)."

- Part F: Section 4c, titled "Total Number of DA conditions repaired WITHIN AN HCA SEGMENT meeting the definition of "immediate repair conditions," "One-year conditions," "Monitored conditions," and "Other Scheduled conditions" as defined in 192.933(d)."

Furthermore, the 2021 Annual Report was submitted on 03/16/2022, 1 day after the deadline of March 15, 2022, as required by § 191.17(a)(1).

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not 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 \$2,391,412 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. We have reviewed the circumstances and supporting documentation involved for the above probable violations and recommend that you be preliminarily assessed a civil penalty of \$ 59,800 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$ 59,800

Warning Items

With respect to Items 2, 3, and 4, 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 promptly correct these item(s). Failure to do so may result in additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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).

Following your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 2-2024-014-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosures: *Response Options for Pipeline Operators in Enforcement Proceedings*