



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

1200 New Jersey Avenue, SE
Washington, DC 20590

March 2, 2026

VIA EMAIL TO: chad.zamarin@williams.com;matt.hastings@williams.com

Chad Zamarin
President/CEO
SG Resources, L.L.C.
One Williams Center
Tulsa, OK 74172

CPF 2-2026-004-CAO

Dear Mr. Zamarin:

Enclosed please find a Corrected Corrective Action Order (Corrected CAO) issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS). The Corrected CAO corrects a typographical error in paragraph 14.e.vii. of the list of corrective actions in the Corrective Action Order that was issued on February 6, 2026, regarding the pipeline failure that occurred on February 3, 2026, on the Southern Pines Natural Gas Line 300 near Leakesville, Mississippi. SGR is a subsidiary of The Williams Companies, Inc.

Service of the Corrected CAO by electronic mail is effective upon the date of transmission and acknowledgment of receipt as provided under 49 CFR § 190.5.

Sincerely,

LINDA GAIL
DAUGHERTY
Linda G. Daugherty
Acting Associate Administrator
for Pipeline Safety

Digitally signed by LINDA
GAIL DAUGHERTY
Date: 2026.02.20
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Enclosure: Corrected CAO

cc: James Urisko, Director, Southern Region, Office of Pipeline Safety, PHMSA
james.urisko@dot.gov
Matt Hastings, VP HSEI, SG Resources Mississippi, L.L.C.,
matt.hastings@williams.com

CONFIRMATION OF RECEIPT REQUESTED

**DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of

SG Resources Mississippi, LLC,

Respondent

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CPF No. 2-2026-004-CAO

CORRECTIVE ACTION ORDER

Background and Purpose

The Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), is issuing this Corrective Action Order (CAO or Order) pursuant to the authority provided in 49 U.S.C. § 60112. The CAO requires SG Resources Mississippi, L.L.C. (SGR or Respondent)¹ to take certain necessary corrective actions to protect the public, property, and the environment from the potential hazards associated with the continued operation of its Southern Pines Natural Gas Pipeline System near Leakesville, Mississippi, in Greene County.

On February 3, 2026, at approximately 6:30 PM CST, the Southern Pines Natural Gas Pipeline System Line 300 ruptured inside the Southern Pines Energy Center located near Leakesville, Mississippi, in Greene County (hereinafter the “Failure”). The Failure resulted in the separation of the 2-inch liquid extraction line from the Line 300, the formation of a crater within the Southern Pines Energy Center, and the release of a currently undetermined volume of natural gas.

Pursuant to 49 U.S.C. § 60117, PHMSA has initiated an investigation of the Failure. The preliminary findings of PHMSA’s ongoing investigation are as follows:

¹ SGR is a subsidiary of The Williams Companies, Inc. See SG Resources Mississippi, <https://www.gasnom.com/ip/SOUTHERNPINES/> (last accessed February 6, 2026).

Preliminary Findings

- At approximately 6:30 PM CST on February 3, 2026, the Southern Pines Natural Gas Pipeline System Line 300 ruptured at the Southern Pines Energy Center, an underground natural gas storage facility, near Leakesville, Mississippi, in Greene County.
- The Failure resulted in the separation of a 2-inch liquid extraction line from Line 300, the formation of a crater within the Southern Pines Energy Center, and the release of a currently undetermined volume of natural gas.
- The event did not impact the integrity of the underground storage, though the entire facility is currently shut-in. The failure happened in a remote location within the Southern Pines Energy Center facility. There were no reported injuries, fatalities, or evacuations, and the escaped gas did not ignite.
- SGR attempted to isolate the suspected failed segment of Line 300 using facility valves, but it discovered that one of the valves used to isolate the segment was leaking. In response, SGR isolated the line by closing the upstream and downstream block valves (the Southern Pines Energy Center Valve at mile post 0 and the Midway Valve at mile post 11.75), which are thirteen miles apart, and blew down the section. SGR successfully isolated the failed segment on February 4, 2026.
- A recovered portion of the failed pipeline shows indications of internal corrosion that is believed to be microbiologically influenced corrosion. The Southern Pines Energy Center facility has had prior corrosion issues.
- The Southern Pines Natural Gas Pipeline System consists of 26.14 miles of natural gas transmission pipeline. The pipeline system includes Line 100 running to the west out of the Southern Pine Energy Center with interconnects to multiple customers, including an interconnect at Ranch Road, and Lines 300 and 400 running to the east out of the Center. Lines 100 and 400 were not disturbed by the Failure; however, SGR also shut in these pipelines.
- As a major provider of natural gas along the southern United States, the pipeline system transports natural gas from Mississippi to Alabama. There will be impacts to the supply of commercial natural gas until repairs are made.
- At the discharge side of Southern Pines Energy Center, at mile post 0, where the Failure occurred, the Maximum Allowable Operating Pressure (MAOP) reported by Williams personnel is 1480 psig and the Maximum Operating Pressure (MOP) is 1140 psig.
- The pipeline was constructed in 2008. The pipeline coating is Fusion Bonded Epoxy (FBE) with an undetermined seam type.

Determination of Necessity for Corrective Action Order and Right to Hearing

Section 60112 of title 49, United States Code, authorizes PHMSA to determine that a pipeline facility is or would be hazardous to life, property, or the environment and if there is a likelihood of serious harm, to expeditiously order the operator of the facility to take necessary corrective

action, including suspended or restricted use of the facility, physical inspection, testing, repair, replacement, or other appropriate action. An order issued expeditiously must provide an opportunity for a hearing as soon as practicable after the order is issued.

In deciding whether to issue an order, PHMSA must consider the following, if relevant: (1) the characteristics of the pipe and other equipment used in the pipeline facility, including the age, manufacture, physical properties, and method of manufacturing, constructing, or assembling the equipment; (2) the nature of the material the pipeline facility transports, the corrosive and deteriorative qualities of the material, the sequence in which the material is transported, and the pressure required for transporting the material; (3) the aspects of the area in which the pipeline facility is located, including climatic and geologic conditions and soil characteristics; (4) the proximity of the area in which the facility is located to environmentally sensitive areas; (5) the population density and population and growth patterns of the area in which the pipeline facility is located; (6) any recommendation of the National Transportation Safety Board made under another law; and (7) any other factors PHMSA may consider as appropriate.

After evaluating the foregoing preliminary findings of fact, and having considered the characteristics of the pipeline, the nature of the failure, to include the history of corrosion issues at the facility; the hazardous nature of the material transported (natural gas); the existing and potential additional impacts to life, property, or the environment; the still-unknown cause of the Failure; and the possibility of additional failures on the pipeline system; it is hereby determined that continued operation of the Affected Segment, as defined below, without corrective measures is or would be hazardous to life, property, or the environment, and that failure to issue this Order expeditiously would result in the likelihood of serious harm.

Accordingly, this Order mandating immediate corrective action is issued expeditiously without prior notice and opportunity for a hearing. The terms and conditions of this Order are effective upon completion of service.

Within 10 days of receipt of this Order, Respondent may request a hearing, to be held as soon as practicable, by notifying the Associate Administrator for Pipeline Safety in writing, with a copy to the Director, PHMSA, OPS Southern Region. If a hearing is requested, it will be held in accordance with 49 CFR § 190.211.

After receiving and analyzing additional data in the course of this investigation, PHMSA may identify other corrective measures that need to be taken. Respondent will be notified of any additional measures required and, if appropriate, PHMSA will consider a further amended order. To the extent consistent with safety, Respondent will be afforded notice and an opportunity for a hearing prior to the imposition of any additional corrective measures.

Corrective Measures

Definitions

Affected Segment – The “Affected Segment” means the approximately three miles of Line 100 from the mainline valve at Ranch Road to the Midpoint Valves on Lines 300 and 400

(approximate Mile Posts 11.75 and 11.8, respectively). The Affected Segment includes the entire Southern Pines Energy Center and all related facility piping.

The Failure – The “Failure” means the rupture of Line 300 that occurred at 6:30 PM CST on February 3, 2026, at the Southern Pines Energy Center, an underground natural gas storage facility, near Leakesville, Mississippi, in Greene County.

Isolated Segment – The “Isolated Segment” means the portion of Line 300 from the Southern Pines Energy Center Compressor Station at mile post 0 to the Midpoint Valve at mile post 11.75.

Director – The “Director” means the Director, PHMSA, OPS Southern Region.

1. SGR must not operate the Isolated Segment until authorized to do so by the Director.
2. ***Operating Pressure Restriction.*** SGR must reduce and maintain a twenty percent (20%) pressure reduction in the actual operating pressure along the entire length of the Affected Segment such that the operating pressure along the Affected Segment will not exceed eighty percent (80%) of the actual operating pressure in effect immediately prior to the Failure on February 3, 2026.
 - a. This pressure restriction is to remain in effect until written approval to increase the pressure or return the pipeline to its pre-failure operating pressure is obtained from the Director.
 - b. Within 15 days of receipt of this Order, SGR must provide the Director the actual operating pressures of each pump/compressor station and each main line pressure regulating station on the Affected Segment at the time of failure and the reduced pressure restriction set-points at these same locations.
 - c. This pressure restriction requires any relevant remote or local alarm limits, software programming set-points or control points, and mechanical over-pressure devices to be adjusted accordingly.
 - d. When determining the pressure restriction set-points, SGR must take into account any in-line inspection (ILI) features or anomalies present in the Affected Segment to provide for continued safe operation while further corrective actions are completed.
 - e. SGR must review the pressure restriction monthly by analyzing the operating pressure data. SGR must take into account any ILI features or anomalies present in the Affected Segment and immediately reduce the operating pressure to maintain the safe operations of the Affected Segment, if warranted by the monthly review. SGR must submit the results of the monthly review to the Director. The results must include, at a minimum, the current discharge set-points (including any additional pressure reductions), and any pressure exceedance at discharge set-points.
3. **Restart Plan.** Prior to resuming operation of the Isolated Segment, SGR must develop and submit a written Restart Plan to the Director for prior approval.
 - a. The Director may approve the Restart Plan incrementally without approving the entire plan but the Isolated Segment cannot resume operation until the Restart Plan is approved in its entirety.

- b. Once approved by the Director, the Restart Plan will be incorporated by reference into this Order.
- c. The Restart Plan must provide for adequate patrolling of the Isolated Segment during the restart process and must include incremental pressure increases during start up, with each increment to be held for at least 2 hours.
- d. The Restart Plan must include sufficient surveillance of the pipeline during each pressure increment to ensure that no leaks are present when operation of the line resumes.
- e. The Restart Plan must specify a day-light restart and include advance communications with local emergency response officials.
- f. The Restart Plan must provide for a review of the Isolated Segment for conditions similar to those of the Failure including a review of construction, operating and maintenance (O&M) and integrity management records such as ILI results, hydrostatic tests, root cause failure analysis of prior failures, aerial and ground patrols, corrosion, cathodic protection, excavations and pipe replacements. SGR must address any findings that require remedial measures to be implemented prior to restart.
- g. The Restart Plan must also include documentation of the completion of all mandated actions, and a management of change plan to ensure that all procedural modifications are incorporated into SGR's operations and maintenance procedures manual.
- h. Prior to restart, SGR must submit to the Director a contingency plan to operate and monitor the Isolated Segment during flooding conditions, including enhanced patrolling and surveillance.

4. Return to Service. After the Director approves the Restart Plan, SGR may return the Isolated Segment to service but the operating pressure must not exceed eighty percent (80%) of the actual operating pressure in effect immediately prior to the Failure on February 3, 2026, in accordance with Item 2 above.

5. Removal of Pressure Restriction. The Director may allow the removal or modification of the pressure restriction upon a written request from SGR demonstrating that restoring the pipeline to its pre-failure operating pressure is justified based on a reliable engineering analysis showing that the pressure increase is safe considering all known defects, anomalies, and operating parameters of the pipeline.

6. The Director may allow the temporary removal or modification of the pressure restrictions upon a written request from SGR demonstrating that temporary mitigative and preventive measures are implemented prior to and during the temporary removal or modification of the pressure restriction. The Director's determination will be based on the Failure cause and provision of evidence that preventative and mitigative actions taken by the operator provide for the safe operation of the Affected Segment during the temporary removal or modification of the pressure restriction. Appeals to determinations of the Director in this regard will be decided by the Associate Administrator for Pipeline Safety.

7. Instrumented Leakage Survey. Within 30 days of receipt of this Order, SGR must perform an aerial or ground instrumented leakage survey of the Affected Segment. SGR must investigate all leak indications and remedy all leaks discovered. SGR must submit documentation of this survey to the Director within 45 days of receipt of this Order.

8. Records Verification. As recommended in PHMSA Advisory Bulletin 2012-06, SGR must verify the records for the Affected Segment to confirm the MAOP. SGR must submit documentation of this record verification to the Director within 45 days of receipt of this Order.

9. Review of Prior Inline Inspection (ILI) Results. Within 30 days of receipt of this Order, SGR must conduct a review of any previous ILI results of the Affected Segment; re-evaluate all ILI results from the past 10 calendar years, to include a review of the ILI vendors' raw data and analysis; and determine whether any features were present in the failed pipe joint and/or any other pipe removed. SGR must also determine if any features with similar characteristics are present elsewhere on the Affected Segment. SGR shall submit documentation of this ILI review to the Director within 45 days of receipt of this Order as follows:

- a. List all ILI tool runs, tool types, and the calendar years of the tool runs.
- b. List, describe (type, size, wall loss, etc.), and identify the specific location of all ILI features present in the failed joint and/or other pipe removed.
- c. List, describe (type, size, wall loss, etc.), and identify the specific location of all ILI features with similar characteristics present elsewhere on the Affected Segment.
- d. Explain the process used to review the ILI results and the results of the reevaluation.

10. Mechanical and Metallurgical Testing. Within 45 days of receipt of this Order, SGR must complete mechanical and metallurgical testing and failure analysis of the failed pipe, including an analysis of soil samples and any foreign materials. The testing and analysis must be completed as follows:

- a. Document the chain-of-custody when handling and transporting the failed pipe section and other evidence from the Failure site.
- b. Within 10 days of receipt of this Order, develop and submit the testing protocol and the proposed testing laboratory to the Director for prior approval.
- c. Prior to beginning the mechanical and metallurgical testing, provide the Director with the scheduled date, time, and location of the testing to allow for an OPS representative to witness the testing.
- d. Ensure the testing laboratory distributes all reports whether draft or final in their entirety to the Director at the same time they are made available to SGR.

11. Root Cause Failure Analysis. Within 90 days following receipt of this Order, SGR must complete a root cause failure analysis (RCFA) and submit a final report of this RCFA to the Director. The RCFA must be supplemented or facilitated by an independent third-party approved by the Director and must document the decision-making process and all factors contributing to the failure. SGR must ensure that all reports, whether draft or final, are made available in their entirety to the Director at the same time they are made available to SGR. The final report must include findings and any lessons learned and whether the findings and any lessons learned are applicable to other locations within SGR's pipeline system.

12. Leak Detection Plan. Within 45 days of receipt of this Order, SGR shall perform a review and submit to the Director a written plan to improve the leak detection capability on the Affected Segment. The review must include a comprehensive analysis of any SCADA, leak detection, surveillance, and other monitoring systems on the Affected Segment. The written plan must include a schedule for improving the leak detection capability on the Affected Segment through additional instrumentation, updated hardware or software, installation of a computational pipeline monitoring system and associated software programming, additional surveillance, pipeline control staffing, ongoing leak surveys, and any other appropriate measures.

13. Emergency Response Plan and Training Review. SGR must review and assess the effectiveness of its emergency response plan with regards to the Failure. The review and assessment must include the on-scene response and support, coordination, and communication with emergency responders and public officials. SGR must also include a review and assessment of the effectiveness of its emergency training program. SGR must amend its emergency response plan and emergency training, if necessary, to reflect the results of this review. The documentation of this Emergency Response Plan and Training Review must be available for inspection by OPS or provided to the Director, if requested.

14. Remedial Work Plan (RWP).

- a. Within 90 days following receipt of this Order, SGR must submit a Remedial Work Plan (RWP) to the Director for approval.
- b. The Director may approve the RWP incrementally without approving the entire RWP.
- c. Once approved by the Director, the RWP will be incorporated by reference into this Order.
- d. The RWP must specify the tests, inspections, assessments, evaluations, and remedial measures SGR will use to verify the integrity of the Affected Segment. It must address all known or suspected factors and causes of the Failure identified by, but not limited to, the results of the metallurgical and root cause failure analysis required by this Order. SGR should consider both the risk of another failure and the consequence of another failure to develop a prioritized schedule for RWP related work along the Affected Segment.
- e. The RWP must include a procedure or process to:
 - i. Identify pipe, both facility and mainline, in the Affected Segment with characteristics similar to the contributing factors identified for the Failure, to include operational or maintenance factors.
 - ii. Gather all data necessary to review the failure history (in service and pressure test failures) of the Affected Segment and to prepare a written report containing all the available information such as the locations, dates, and causes of leaks and failures.
 - iii. Integrate the results of the metallurgical testing, root cause failure analysis, and other corrective actions required by this Order with all relevant pre-existing operational and assessment data for the Affected Segment. Pre-existing operational data includes, but is not limited to, construction,

operations, maintenance, testing, repairs, prior metallurgical analyses, and any third-party consultation information. Pre-existing assessment data includes, but is not limited to, ILI tool runs, hydrostatic pressure testing, direct assessments, close interval surveys, and Direct Current Voltage Gradient/Alternating Current Voltage Gradient surveys.

- iv. Determine if conditions similar to those contributing to the Failure, to include operational or maintenance conditions, are likely to exist elsewhere on the Affected Segment.
- v. Conduct additional field tests, inspections, assessments, and evaluations to determine whether, and to what extent, the conditions associated with the Failure and other failures from the failure history (see (e)(ii) above) or any other integrity threats are present elsewhere on the Affected Segment. At a minimum, this process must consider all failure causes and specify the use of one or more of the following:
 - 1) ILI tools that are technically appropriate for assessing the pipeline system based on the cause of the Failure and that can reliably detect and identify anomalies,
 - 2) Hydrostatic pressure testing,
 - 3) Close-interval surveys,
 - 4) Cathodic protection surveys, to include interference surveys in coordination with other utilities (e.g. underground utilities, overhead power lines, etc.) in the area,
 - 5) Coating surveys,
 - 6) Stress corrosion cracking surveys,
 - 7) Selective seam corrosion surveys; and,
 - 8) Other tests, inspections, assessments, and evaluations appropriate for the Failure causes.

Note: SGR may use the results of previous tests, inspections, assessments, and evaluations if approved by the Director, provided the results of the tests, inspections, assessments, and evaluations are analyzed with regard to the factors known or suspected to have caused the Failure.

- vi. Describe the inspection and repair criteria SGR will use to prioritize, excavate, evaluate, and repair anomalies, imperfections, and other identified integrity threats. Include a description of how any defects will be graded and a schedule for repairs or replacement.
- vii. Based on the known history and condition of the Affected Segment describe the methods SGR will use to repair, replace, or take other corrective measures, to include measures to update maintenance or operational procedures that may have been causal factors of the Failure, in order to remediate the conditions associated with the February 3, 2026, pipeline failure and to address other known integrity threats along the Affected Segment. The repair, replacement, or other corrective measures must meet the criteria specified in (e)(vi) above.

- viii. Implement continuing long-term periodic testing and integrity verification
 - measures to ensure the ongoing safe operation of the Affected Segment considering the results of the analyses, inspections, evaluations, and corrective measures undertaken pursuant to the Order.
- f. Include a proposed schedule for completion of the RWP.
- g. SGR must revise the RWP as necessary to incorporate new information obtained during the failure investigation and remedial activities, to incorporate the results of actions undertaken pursuant to this Order, and to incorporate modifications required by the Director. SGR must submit any plan revisions to the Director for prior approval. The Director may approve plan revisions incrementally. Any and all revisions to the RWP after it has been approved and incorporated by reference into this Order will be fully described and documented in the CAO Documentation Report.
- h. SGR must implement the RWP as it is approved by the Director, including any revisions to the plan.

15. CAO Documentation Report (CDR). SGR must create and revise, as necessary, a CAO Documentation Report (CDR). When SGR has concluded all the items in this Order it will submit the final CDR in its entirety to the Director. This will allow the Director to complete a thorough review of all actions taken by SGR with regards to this Order prior to approving the closure of this Order. The intent is for the CDR to summarize all activities and documentation associated with this Order in one document.

- a. The Director may approve the CDR incrementally without approving the entire CDR.
- b. Once approved by the Director, the CDR will be incorporated by reference into this Order.
- c. The CDR must include but not be limited to:
 - i. Table of Contents;
 - ii. Summary of the pipeline failure of February 3, 2026, and the response activities;
 - iii. Summary of pipe data and properties and all prior assessments of the Affected Segment;
 - iv. Summary of all tests, inspections, assessments, evaluations, and analysis required by the Order;
 - v. Summary of the Mechanical and Metallurgical Testing as required by the Order;
 - vi. Summary of the RCFA with all root causes as required by the Order;
 - vii. Documentation of all actions taken by SGR to implement the RWP, the results of those actions, and the inspection and repair criteria used;
 - viii. Documentation of any revisions to the RWP including those necessary to incorporate the results of actions undertaken pursuant to this Order and whenever necessary to incorporate new information obtained during the failure investigation and remedial activities;
 - ix. Lessons learned while completing this Order;
 - x. A path forward describing specific actions SGR will take on its entire

- pipeline system as a result of the lessons learned from work on this Order; and
- xi. Appendices (if required).

Other Requirements:

16. Approvals. With respect to each submission under this Order that requires the approval of the Director, the Director may: (a) approve, in whole or part, the submission; (b) approve the submission on specified conditions; (c) modify the submission to cure any deficiencies; (d) disapprove in whole or in part, the submission, directing that Respondent modify the submission, or (e) any combination of the above. In the event of approval, approval upon conditions, or modification by the Director, Respondent shall proceed to take all action required by the submission as approved or modified by the Director. If the Director disapproves all or any portion of the submission, Respondent must correct all deficiencies within the time specified by the Director and resubmit it for approval.

17. Extensions of Time. The Director may grant an extension of time for compliance with any of the terms of this Order upon a written request timely submitted demonstrating good cause for an extension.

18. Reporting. SGR must submit quarterly reports to the Director that: (1) include all available data and results of the testing and evaluations required by this Order; and (2) describe the progress of the repairs or other remedial actions being undertaken. The first quarterly report is due on April 1, 2026, covering the period through March 15, 2026. The Director may change the interval for the submission of these reports.

19. Documentation of the Costs. It is requested that Respondent maintain documentation of the costs associated with implementation of this CAO. Include in each quarterly report submitted the to-date total costs associated with: (1) preparation and revision of procedures, studies, and analyses; (2) physical changes to pipeline infrastructure, including repairs, replacements, and other modifications; and (3) environmental remediation, if applicable.

Be advised that all material submitted 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).

In your correspondence on this matter, please refer to “**CPF No. 2-2026-004-CAO**” and for each document you submit, please provide a copy in electronic format whenever possible. The actions required by this Order are in addition to and do not waive any requirements that apply to Respondent’s pipeline system under 49 CFR Parts 190 through 199, under any other order issued to Respondent under authority of 49 U.S.C. Chapter 601, or under any other provision of federal or state law.

Respondent may appeal any decision of the Director to the Associate Administrator for Pipeline Safety. Decisions of the Associate Administrator shall be final.

Failure to comply with this Order may result in the assessment of civil penalties and in referral to the Attorney General for appropriate relief in United States District Court pursuant to 49 U.S.C. § 60120.

The terms and conditions of this Order are effective upon service in accordance with 49 CFR § 190.5.

**LINDA GAIL
DAUGHERTY**

 Digitally signed by LINDA GAIL
DAUGHERTY
Date: 2026.02.06 17:57:15 -05'00'

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

February 6, 2026
Date Issued