

December 20, 2023

VIA ELECTRONIC MAIL TO: shawn.patterson@southernstar.com

Shawn L. Patterson
President and Chief Executive Officer
Southern Star Central Gas Pipeline, Inc.
4700 State Route 56
P.O. Box 20010
Owensboro, Kentucky 42301

Re: CPF No. 3-2023-002-NOPV

Dear Mr. Patterson:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation, assesses a civil penalty of \$445,008, and specifies actions that need to be taken by Southern Star Central Gas Pipeline, Inc. to comply with the pipeline safety regulations. The penalty payment terms are set forth in the Final Order. When the civil penalty has been paid and the terms of the compliance order completed, as determined by the Director, Central Region, this enforcement action will be closed. Service of the Final Order by e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Gregory A. Ochs, Director, Central Region, Office of Pipeline Safety, PHMSA
Ms. Susan A. Olenchuk, Counsel for Southern Star, Van Ness Feldman, LP,
sam@vnf.com

Mr. Charles Crews, Executive Vice President and Chief Operations Officer, Southern Star Central Gas Pipeline, Inc., charles.crews@southernstar.com

Mr. Craig Thomas, Manager, Integrity Management & PHMSA Compliance, Southern Star Central Gas Pipeline, Inc., craig.thomas@southernstar.com

Mr. Mark Lockett, Lead Attorney, Southern Star Central Gas Pipeline, Inc., mark.lockett@southernstar.com

CONFIRMATION OF RECEIPT REQUESTED

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

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In the Matter of)	
)	
Southern Star Central Gas Pipeline, Inc.,)	CPF No. 3-2023-002-NOPV
)	
Respondent.)	
)	

FINAL ORDER

From February 26 to February 28, 2021, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), investigated Southern Star Central Gas Pipeline Inc.’s (Southern Star) Line FM incident near Joplin, Missouri. Southern Star operates over 5,000 miles of gas transmission pipelines in Colorado, Kansas, Missouri, Nebraska, Oklahoma, Texas, and Wyoming.

As a result of the investigation, the Director, Central Region, OPS (Director), issued to Respondent, by letter dated January 18, 2023, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Southern Star had committed two violations of 49 C.F.R. Part 192 and proposed assessing a civil penalty of \$445,008 for the alleged violations. The Notice also proposed ordering Respondent to take certain measures to correct the alleged violations.

After requesting and receiving an extension of time to respond, Southern Star responded to the Notice by letter dated March 20, 2023 (Response). Southern Star contested one of the allegations and offered additional information in response to the Notice. After the Director filed a recommendation for final action pursuant to § 190.209(b)(7), Southern Star submitted a supplemental response on June 9, 2023 (Supplemental Response). The Director filed a supplemental recommendation for final action on June 12, 2023. Respondent did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

The Notice alleged that Respondent violated 49 C.F.R. Part 192, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.493, which states:

§ 192.493 In-line inspection of pipelines.

When conducting in-line inspections of pipelines required by this part, an operator must comply with API STD 1163, ANSI/ASNT ILI-PQ, and NACE SP0102, (incorporated by reference, *see* § 192.7). Assessments may be conducted using tethered or remotely controlled tools, not explicitly discussed in NACE SP0102, provided they comply with those sections of NACE SP0102 that are applicable.

The Notice alleged that Respondent violated 49 C.F.R. § 192.493 by failing to follow American Petroleum Institute Standard 1163, In Line Inspection Systems Qualification Standard (API Std 1163). The Introduction to API Std 1163 states that “Inspection procedures [must be] followed, before, during and after the inspection.”¹ Specifically, the Notice alleged that Southern Star failed to follow sections 7.2.1, 7.3.3, and 8.3.7 of its integrity management program (IMP), IMP.E2.ASMT.02, for the running of an inline inspection (ILI) tool on February 26, 2021, which resulted in a pipeline incident and significant injury to an employee.

First, the Notice alleged that Southern Star failed to develop an ILI plan “for running the tool and controlling gas flow” that included “[d]etails on the valves to manipulate to run tool and control speed,” and a process to manage a stuck or lodged ILI tool in accordance with section 7.2.1.² Second, the Notice alleged that Southern Star failed to “[e]nsure any and all changes in geometry or planned operating conditions are disclosed to the ILI vendor if they differ from the information previously provided,” when it failed to disclose that the gas flow was lower than reported (3.5 mmcf/d actual versus 5 mmcf/d predicted) in accordance with section 7.3.3.³ Third, the Notice alleged that Southern Star failed to “verify that the operating parameters required by the tool specifications are achievable” in accordance with section 8.3.7.⁴

The Notice alleged that these failures caused a malfunction of an ILI tool, a Circumferential Magnetic Flux Leakage (MFL-C) tool, on February 26, 2021. During the ILI run on February 26, 2021, the MFL-C tool became lodged. Southern Star attempted to dislodge the tool by applying differential pressures. The tool eventually dislodged at a high speed (estimated between 110-243 mph) and ejected from the pipe causing a rupture at the next pipe bend (i.e., an elbow configuration). The impact resulted in the pipeline and the MFL-C tool separating into multiple fragments. There was an estimated 76 thousand cubic feet (Mcf) of natural gas released as a result of this incident. A Southern Star employee sustained injuries requiring overnight hospitalization and surgery as a result of the incident.

¹ API Standard 1163, “In-Line Inspection Systems Qualification,” at vi (2d ed. Aug. 2018).

² “Develop a plan for running the tool and controlling gas flow while running the inspection tools. Include the following: Detailed plan for loading, running, and retrieving the caliper/geometry tool and inline inspection tools[.] Details on the valves to manipulate to run tool and control speed.” Response, Attach. 1, Integrity Management Procedure, IMP.E2.ASMT.02, at section 7.2.1 [hereinafter IMP].

³ “Ensure any and all changes in geometry or planned operating conditions are disclosed to the ILI vendor if they differ from the information previously provided.” IMP at section 7.3.3.

⁴ “Verify pipeline operating parameters required by the tool specifications are achievable. If not, make arrangements with Gas Control to establish flow conditions agreeable to both Pipeline Integrity Technical Specialist and Service Provider.” IMP at section 8.3.7.

Southern Star commissioned Kiefner and Associates, Inc. to perform a metallurgical analysis and prepare a Root Cause Failure Analysis (RCFA) of the incident.⁵ The RCFA included a comprehensive factual narrative of the incident, identified contributing factors, causal factors, and root causes of the incident, and included several recommendations to address the causal factors and root causes of the incident. In summary, the RCFA identified the following as contributing factors⁶ to the incident: 1) misalignment at the east 90° elbow girth weld; 2) Line FM operating pressure did not meet ILI tool specification minimums; 3) Southern Star launched the MFL-C tool with conditions out of the range reported to the ILI vendor; 4) Southern Star launched the tool using an undocumented valve sequence; 5) the tool configuration of the replacement tool was notably different from the original tool; and 6) the presence of a double bend at the line break location.⁷

The RCFA identified the following as root causes of the incident: 1) Southern Star had no procedures, guidelines, or minimum requirements for how to manage a stationary ILI tool in a pipeline; 2) the development of contingency plans in the pigging plan was not sufficient; and 3) existing Southern Star requirements for the preparation and execution of ILI assessments were not enforced and were not sufficient. On the third root cause, the RCFA concluded that Southern Star failed to follow sections 7.2.1, 7.3.3, and 8.3.7 of its IMP.

PHMSA's Accident Investigation Division prepared a Failure Investigation Report (FIR) on this incident.⁸ The FIR included a detailed factual narrative and concluded that, among other items, Southern Star's "ILI procedure did not specify how to dislodge a stuck ILI tool" and that Southern Star "did not launch the tools at velocities reported on the ILI vendor questionnaire. There were no details on launch sequences in the Line FM Pigging Plan and there was no verification the operating conditions required by the tool were achievable."⁹

In its Response, Southern Star contested this alleged violation. Southern Star argued that it followed sections 7.2.1, 7.3.3, and 8.3.7 of its IMP in conducting the ILI run on February 26, 2021. Each section is addressed below.

Section 7.2.1

This section required that Southern Star "[d]evelop a plan for running the tool and controlling gas flow while running the inspection tools. Include the following: Detailed plan for loading, running, and retrieving the caliper/geometry tool and inline inspection tools[.] Details on the

⁵ See Pipeline Safety Violation Report, Exh. A, PHMSA AID Failure Investigation Report, App'x D Root Cause Failure Analysis (Mar. 14, 2021) [hereinafter RCFA].

⁶ "The contributing factors to the incident are defined as those events or circumstances that are underlying reasons for why a causal factor occurred, but they are not sufficiently fundamental to be a root cause." RCFA, at 2.

⁷ RCFA, at 2-4.

⁸ See Pipeline Safety Violation Report, Exh. A, PHMSA AID Failure Investigation Report (Mar. 14, 2021) [hereinafter FIR].

⁹ FIR, at 17-18.

valves to manipulate to run tool and control speed.”¹⁰

With respect to section 7.2.1, Southern Star stated that it was following an ILI plan approved on February 21, 2021, and that this plan had two options to address a lodged ILI tool, either through cut out or by “[i]ncreas[ing] differential to flip cups to allow for gas to bypass.”¹¹ Southern Star included the plan as Attachment 1 to its Response. Southern Star also stated that this plan included a detailed description of Line FM, including the maximum allowable operating pressure (MAOP), expected pressure range, expected flow range, differential required to launch, estimated run time, and estimated run speed.¹²

Having considered the evidence, I find that Southern Star failed to include certain information in its ILI plan as required by section 7.2.1. As noted in the RCFA, the ILI plan failed to “include a launch sequence and details on the valves to be used during the tool run.”¹³ Notably, ILI plans for other Southern Star ILI runs did include detailed launch sequences.¹⁴ The plan also failed to “include any details regarding actions by Spire Energy (Spire) to influence the gas flow in Line FM, or quantifiable objectives for these actions.”¹⁵ Southern Star did not argue it included a written launch sequence, details on the valves to be used, or details regarding influencing the gas flow in its ILI plan in either its Response or Supplemental Response.¹⁶ While Southern Star did have an ILI plan, which included relevant information as noted in the Response, the plan failed to include information required by section 7.2.1 to safely operate the ILI tool and failed to include details routinely included in plans for previous ILI runs.

Section 7.3.3

This section required that Southern Star “[e]nsure any and all changes in geometry or planned operating conditions are disclosed to the ILI vendor if they differ from the information previously provided.”¹⁷ The Notice alleged that Respondent failed to communicate critical operating parameters to its contractors to ensure proper control of the ILI tool. At the time of the launch and operation of the ILI tool, the gas flow rate in Line FM was 3.25 mmcf/d, which was lower than the predicted 5 mmcf/d reported in the tool vendor questionnaire. The Notice alleged the reduced gas flow rate was not communicated or disclosed to the ILI vendor.

¹⁰ IMP, at section 7.2.1.

¹¹ Response, at 6 (citing attach. 1, at 5, 12).

¹² Response, attach. 1, at 2, 3.

¹³ RCFA, at 5.

¹⁴ RCFA, at 5.

¹⁵ RCFA, at 5.

¹⁶ Southern Star changed the launch sequence prior to the February 26 launch “to improve the data quality” but failed to provide an updated launch sequence. FIR, at 7.

¹⁷ IMP, at section 7.3.3.

With respect to section 7.3.3, Southern Star stated that it provided “all necessary operating parameters, including flow rates, minimum and maximum pressures, and MAOP” to the ILI vendor.¹⁸ Southern Star reported the flow rate as from 5 – 12 mmcf/d.¹⁹ After the ILI tool malfunctioned due to a faulty sensor wire two days before the incident, Southern Star, “[t]o mitigate the risk of another speed excursion during the second run,” lowered the flow rate to 3.25 mmcf/d.²⁰ Southern Star stated that a ILI vendor representative agreed with this decision.²¹

Southern Star’s failure to follow section 7.3.3 of its IMP rests on one question: whether Southern Star informed the ILI vendor that the February 26, 2021 MFL-C tool would run at 3.25 mmcf/d, which is below the reported range of 5 – 12 mmcf/d. For several reasons, I find that Southern Star failed to adequately inform the ILI vendor of this change in the flow rate.

While Southern Star stated it informed the on-site ILI vendor representative of the change in flow rate, the context of that “on-the-ground” conversation must be considered. On February 26, 2021, there had already been two issues with the MFL-C tool. The initial tool sent by the ILI vendor was defective, so a replacement MFL-C tool was sent, which “was longer, had more modules and the cup type and spacing in the pulling module were different (L-cups were used instead of U-cups).”²² L-cups are not as effective at navigating pipeline misalignments as U-cups, and due to their larger size cannot navigate bends as easily as U-cups. On February 24, using the replacement MFL-C tool, a pinched wire prevented the tool from obtaining all of the required data and the tool experienced one known speed incursion. Two days later, on February 26, Southern Star decided to lower the flow rate to 3.25 mmcf/d to mitigate the risk of another speed incursion on the third attempted run. Then, through a verbal conversation only, Southern Star informed an ILI vendor representative of the change and that person agreed with the change. Thus, the ILI vendor representative was in the unfortunate position of either agreeing to the change in flow rate or risking a *third* delay in running this tool. Southern Star provided no information on the setting of this conversation, which could have happened right before the tool was scheduled to run. An adequate notification to the ILI vendor would have been in writing and allowed for the ILI vendor to carefully consider the change.

The RCFA echoed this conclusion by stating that Southern Star’s failure to notify the ILI vendor “project management” of the change in flow rate was a root cause of the incident.²³ Southern Star failed to note the position of the on-site ILI vendor representative, and whether that person was the appropriate person, or had the authority, to approve deviations to the flow rate. It is unclear if the on-site ILI vendor representative was made aware of prior issues with speed incursions and whether the representative was aware that the previous reported flow rate was

¹⁸ Response, at 5 (citing attach. 3, at 8-9)

¹⁹ Response, at 3 (citing attach. 3, at 8).

²⁰ Response, at 2.

²¹ Response, at 5.

²² FIR, at 2.

²³ RCFA, at 5-6.

between 5 and 12 mmcf/d.

In writing, Southern Star informed the ILI vendor that the flow rate would be between 5 – 12 mmcf/d. Southern Star never informed the ILI vendor, in writing, of any change in the flow rate. While written notification was not explicitly required by the procedures at that time,²⁴ Southern Star had already experienced one speed incursion, had a history of issues running ILI tools on this pipeline,²⁵ and was using a different sized MFL-C tool than initially planned.²⁶ It is unclear if the collective impact of these factors were considered by the ILI vendor representative. Therefore, I find Southern Star failed to follow section 7.3.3 of its IMP.

Section 8.3.7

Under section 8.3.7, Southern Star was required to “[v]erify pipeline operating parameters required by the tool specifications are achievable. If not, [Respondent was required to] make arrangements with Gas Control to establish flow conditions agreeable to both Pipeline Integrity Technical Specialist and Service Provider.”²⁷ The Notice alleged Respondent failed to verify the operating conditions on Line FM would achieve the tool specifications. The MAOP of Line FM was 400 psig, but the minimum operating pressure for the ILI tool was 500 psig as provided by the tool specifications.

With respect to section 8.3.7, Southern Star argued it had verified that the minimum operating pressure required by the MFL-C tool was achievable on Line FM. Specifically, Southern Star stated that it had informed the ILI vendor that the minimum and maximum pressure range on Line FM was 325 psig to 400 psig.²⁸ The ILI vendor’s representative was present during the tool run and agreed with running the tool at a flow rate of 350 psig.²⁹ Respondent also noted that it ran the MFL-C tool two days earlier on February 24, 2021, at 350 psig without any stoppage, and therefore had verified “that passage of that ILI tool was achievable at an operating pressure below Line FM’s MAOP.”³⁰

²⁴ In the Supplemental Region Recommendation, the Director acknowledged that section 7.3.3.1 was erroneously referenced in the recommendation for final action. This provision was added after the incident and required written agreement from an ILI vendor if there are any changes in geometry or planned operating conditions. This final order does not address any allegation related to section 7.3.3.1.

²⁵ FIR, at 4 (“Southern Star had experienced previous issues running ILI tools on Line FM, including stoppages that occurred during their 2010 ILI runs and cleaning pig runs of 2021.”).

²⁶ “During the ILI run which resulted in the pipeline rupture, the MFL-C ILI tool configuration had been modified from what was previously run through the line. The replacement tool was longer, had more modules and the cup type and spacing in the pulling module were different (L-cups were used instead of U-cups). The original MFL-C tool used U-cups because they are suitable for a wide range of pipeline conditions and misalignments. The L-cups have smaller face angles and larger section thickness making it harder for the tool to navigate the bends.” FIR, at 2.

²⁷ IMP, at section 8.3.7.

²⁸ Response, at 3.

²⁹ Response, at 5.

³⁰ Response, at 6.

Having considered the evidence, I find that Southern Star failed to “[v]erify that the operating parameters required by the tool specifications are achievable.” According to the plain language definition of “verify,” Southern Star was required to “make sure or demonstrate that (something) is true, accurate, or justified.”³¹ Synonyms of verify include substantiate, validate, corroborate, and confirm, among others. In other words, Southern Star was required to do more than simply inform the ILI vendor of the operating pressure. That is only the first step. Once that basic information is transmitted, section 8.3.7 requires Southern Star to proactively verify that the tool is suitable for its pipeline.³² Southern Star failed to provide evidence it made any such verification prior to running the tools. In fact, the RCFA noted that Southern Star was aware of the discrepancy in operating pressure requirements but failed to verify that this would not be an issue.³³ The FIR supports this conclusion, as it stated that “Southern Star did not verify if the replacement tool was compatible with Line FM’s operating conditions.”³⁴ Likewise, the RCFA concluded that a root cause of the incident was Southern Star’s failure to make the requisite verification.³⁵

Southern Star suggested that it can satisfy section 8.3.7 through a “trial and error” approach where it can make this verification while running the ILI tool. Such a strategy exposes the public, environment, and operator personnel to unnecessary risk. The purpose of section 8.3.7 is to ensure safe and successful ILI runs *before* they occur.³⁶ Section 8.3.7 cannot be satisfied during or after a tool run.

Section 8.3.7 also stated that if Southern Star cannot verify the operating parameters required by the tool are achievable, then it must “make arrangements with Gas Control to establish flow conditions agreeable to both Pipeline Integrity Technical Specialist and Service Provider.” Southern Star did not state it made such an arrangement, and no evidence in the record suggests such an arrangement was made.

³¹ Oxford English Dictionary, “verify,”

https://www.google.com/search?sca_esv=591232086&rlz=1C1GCEA_enUS1068US1068&q=verify&si=ALGXSiZs_yOcjbcvFwhB4E04oe9YV5zjHZ0-HEwTZiReYWGdl0rXOK-vwEB5298AeAiO-FTrSijrjT_Z1IeZe9XQtw2DUv4McA%3D%3D&expnd=1&sa=X&ved=2ahUKewit4Jq23ZGDAXXWMjQIHxIA DcQ2v4IegQICBAT&biw=1920&bih=919&dpr=1.

³² Section 7.1.1 of Southern Star’s IMP requires it Star to complete the “ILI questionnaire.” Completion of the ILI questionnaire does not also satisfy section 8.3.7, which further requires verification “that the operating parameters required by the tool specifications are achievable.”

³³ “[Southern Star] did not identify that the minimum operation pressure of the tool was above Line FM’s capability. [Southern Star] did not question [the ILI vendor] on the implications of this operating condition during the tool run.” RCFA, at 95.

³⁴ FIR, at 4.

³⁵ RCFA, at 6.

³⁶ Section 8 of Southern Star’s IMP sets forth a chronological process for performing an in-line inspection. The verification is required in section 8.3.7, which is chronologically before insertion of the tool into the launcher in section 8.3.11.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 192.493 by failing to follow API Std 1163 through its failure to follow sections 7.2.1, 7.3.3, and 8.3.7 of its IMP.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 192.605(c)(1)(v), which states:

§ 192.605 Procedural manual for operations, maintenance, and emergencies.

(a)

(c) *Abnormal operation.* For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:

(1) Responding to, investigating, and correcting the cause of:

(i)

(v) Any other foreseeable malfunction of a component, deviation from normal operation, or personnel error, which may result in a hazard to persons or property.

The Notice alleged that Respondent violated 49 C.F.R. § 192.605(c)(1)(v) by failing to have and follow procedures to correct the cause of a foreseeable malfunction during an ILI run on the Line FM natural gas transmission line near Brick School House Meter Station on February 26, 2021. Specifically, the Notice alleged that Southern Star lacked procedures for dislodging an ILI tool and had not “[d]evelop[ed] contingency plans for the possibility of a lodged tool,” as required by Southern Star procedure IMP.E2.ASMT.02 Section 7.1. In its Response, Southern Star did not contest Item 2.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 192.605(c)(1)(v) by failing to have and follow procedures to correct the cause of a foreseeable malfunction during an ILI run on the Line FM natural gas transmission line near Brick School House Meter Station on February 26, 2021.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.³⁷

In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent’s culpability; the history of Respondent’s prior offenses; any effect that the penalty may have on its ability to continue

³⁷ These amounts are adjusted annually for inflation. See 49 C.F.R. § 190.223 for adjusted amounts.

doing business; the good faith of Respondent in attempting to comply with the pipeline safety regulations; and self-disclosure or actions to correct a violation prior to discovery by PHMSA. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require. The Notice proposed a total civil penalty of \$445,008 for the violations cited above.

Item 1: The Notice proposed a civil penalty of \$222,504 for Respondent's violation of 49 C.F.R. § 192.493, for failing to follow API Std 1163. Respondent did not separately contest the proposed civil penalty. Accordingly, for the reasons above, I assess Respondent a civil penalty of \$222,504 for violation of 49 C.F.R. § 192.493.

Item 2: The Notice proposed a civil penalty of \$222,504 for Respondent's violation of 49 C.F.R. § 192.605(c)(1)(v), for failing to have and follow procedures to correct the cause of a foreseeable malfunction during an ILI run on the Line FM natural gas transmission line near Brick School House Meter Station on February 26, 2021. Respondent neither contested the allegation nor presented any evidence or argument justifying elimination of the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$222,504 for violation of 49 C.F.R. § 192.605(c)(1)(v).

In summary, having reviewed the record and considered the assessment criteria for each of the Items cited above, I assess Respondent a total civil penalty of **\$445,008**.

Payment of the civil penalty must be made within 20 days after receipt of this Final Order. Federal regulations (49 C.F.R. § 89.21(b)(3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMK-325), Federal Aviation Administration, Mike Monroney Aeronautical Center, 6500 S MacArthur Blvd, Oklahoma City, Oklahoma 79169. The Financial Operations Division telephone number is (405) 954-8845.

Failure to pay the civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 2 in the Notice for a violation of 49 C.F.R. § 192.605I(c)(1)(v). 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 § 192.605(c)(1)(v) (**Item 2**), Respondent must

develop and incorporate into its procedural manual for operations, maintenance and emergencies an appropriate procedure for notification, documentation, and remedial actions when removing a stuck internal device, i.e. an ILI tool, within 90 days of receipt of the Final Order.

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.

PHMSA requests that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. 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.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (*see* 49 C.F.R. § 190.223), 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.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. The written petition must be received no later than 20 days after receipt of the Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The filing of a petition automatically stays the payment of any civil penalty assessed. The other terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

December 20, 2023

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued