

April 28, 2025

VIA ELECTRONIC MAIL TO: scott.hallam@bwpipelines.com

Scott Hallam
Chief Executive Officer
Boardwalk Pipelines, LP
9 Greenway Plaza, Suite 2800
Houston Texas 77046

Re: CPF No. 3-2024-048-NOPV

Dear Mr. Hallam:

Enclosed please find the Final Order issued in the above-referenced case. It withdraws the Notice of Probable Violation issued on May 21, 2024. Accordingly, this case is now closed. Service of the Final Order by e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Gregory Ochs, Director, Central Region, Office of Pipeline Safety, PHMSA;
Susan Olenchuk, Van Ness Feldman LLP, Counsel to Texas Gas Transmission,
LLC, sam@vnf.com;
Michael McMahon, Senior Vice President and Chief Legal and Regulatory Officer,
Boardwalk Pipelines, LP, mike.mcmahon@bwpipelines.com;

Jeff Sanderson, Senior Vice President, Operations, Engineering and Construction,
Boardwalk Pipelines, LP, jeff.sanderson@bwpipelines.com;
Tony Rizk, P.E., Vice President, Technical Services, Boardwalk Pipelines, LP,
tony.rizk@bwpipelines.com;
Tina Baker, Manager, Compliance Services, Boardwalk Pipelines, LP,
tina.baker@bwpipelines.com

CONFIRMATION OF RECEIPT REQUESTED

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

In the Matter of	)	
	)	
Texas Gas Transmission, LLC,	)	CPF No. 3-2024-048-NOPV
	)	
Respondent.	)	
	)	

FINAL ORDER

From March 6 through July 24, 2023, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted a pipeline safety inspection of Texas Gas Transmission, LLC's (TGT or Respondent) facilities and records in Texas, Louisiana, Arkansas, Mississippi, and Tennessee. TGT operates an interstate natural gas pipeline facility in the southeast United States.

As a result of the inspection, the Director, Central Region, OPS (Director), issued to Respondent, by letter dated May 21, 2024, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 CFR § 190.207, the Notice proposed finding that Respondent had committed one violation of 49 CFR Part 192 and proposed assessing a civil penalty of \$50,200 for the alleged violation.

Boardwalk Pipelines, LP responded to the Notice on behalf of Respondent by letter dated June 18, 2024 (Response).¹ Respondent contested the allegation of violation and the proposed civil penalty. TGT and the Director both submitted additional written materials on November 12, 2024 (Pre-hearing submissions). A hearing was subsequently held on November 19, 2024 in Kansas City, Missouri, before a Presiding Official from the PHMSA Office of Chief Counsel. At the hearing, Respondent was represented by counsel. After the hearing, Respondent provided additional written material for the record by letter dated December 19, 2024 (Post-hearing submission). The Director provided a recommendation for final order on January 10, 2025 (Recommendation), and TGT submitted a reply to the Recommendation on January 21, 2024 (Reply).

¹ TGT is a subsidiary of Boardwalk Pipelines, LP.

WITHDRAWAL OF ALLEGATION

The Notice alleged that Respondent violated 49 CFR Part 192, as follows:

Item 1. The Notice alleged that Respondent violated 49 CFR § 192.907(a), which states:

§ 192.907 What must an operator do to implement this subpart?

(a) *General.* No later than December 17, 2004, an operator of a covered pipeline segment must develop and follow a written integrity management program that contains all the elements described in § 192.911 and that addresses the risks on each covered transmission pipeline segment. The initial integrity management program must consist, at a minimum, of a framework that describes the process for implementing each program element, how relevant decisions will be made and by whom, a time line for completing the work to implement the program element, and how information gained from experience will be continuously incorporated into the program. The framework will evolve into a more detailed and comprehensive program. An operator must make continual improvements to the program.

The Notice alleged that Respondent violated section 192.907(a) when it failed to follow its Integrity Management Program (IMP) Procedure Manual (Manual) on its EIS 18-2 pipeline segment (Hwy 61 to Weaver Road) near Clarksdale, Mississippi. The Notice specifically alleged TGT failed to follow Appendix 4, Step 11, Task 2 (“Resubmission of Data (if required)”) of its IMP Manual by not determining whether the anomalies discovered by field personnel during integrity assessment digs, but not detected by the in-line inspection (ILI) vendor, constituted a need for the ILI vendor to re-grade the anomalies and re-submit the data.

TGT contested Item 1 in its written submissions and at the hearing. Respondent argued OPS did not meet the burden of proof to show that TGT failed to follow its IMP Manual.² TGT asserted the evidence in the record shows that it did make a determination not to re-grade the ILI data from the May 2021 ILI tool run implicated by the Notice.³ TGT states that it determined that re-grading the anomalies was not necessary and would not have changed the ILI run results.⁴ TGT explained the additional gouges found at excavation sites (*i.e.*, the field data) were detected by the ILI tool but not “called out” because the gouges did not meet the sizing or attribute reporting parameters of the ILI tool.⁵ TGT explained that the additional gouges discussed at the hearing did not indicate any significant variations or severe discrepancies existed between the ILI and field data, and that re-grading anomalies that an ILI tool is not capable of grading would not produce a different result.⁶ TGT also stated that its IMP Manual does not require re-grading in

² See Post-hearing submission at 2-5, 11.

³ *Id.* at 5-10.

⁴ See Reply at 5.

⁵ *Id.*

⁶ *Id.* Post-hearing submission at 11.

this circumstance.⁷ TGT explained that it confirmed the existence of the gouges during field excavations and repaired them.⁸ TGT argued that OPS' disagreement with TGT's determination that re-grading the ILI data was not necessary, does not mean TGT failed to follow its IMP Manual.⁹ TGT also asserted that multiple documents in the record prove that it made a sound determination not to require re-grading or re-submission of the ILI data under the IPM Manual provision cited in the Notice.¹⁰ Respondent argued that "... OPS attempted to recast the allegation in the Notice as a failure by Texas Gas to document its decision not to re-grade the ILI data."¹¹ TGT also requested that the proposed civil penalty in the Notice correspondingly be withdrawn, or in the alternative, that it be recalculated and reduced to reflect the occurrence of only a potential recordkeeping violation.¹²

The allegation in the Notice relates to TGT's IMP Procedure Manual Appendix 4, Step 11, Task 2.¹³ This portion of TGT's IMP Manual addresses discrepancies between ILI run results and anomalies found during later field excavation activities. The relevant portion the IMP Manual OPS alleges TGT violated reads as follows:

If the field data significantly varies with the vendor data regarding location and anomaly attributes, the MGR ILI Technology & Analytics will have to decide whether the vendor should resubmit the data. Severe discrepancies between the actual anomaly and the predicted attributes can be indicative of the data caliber in the entire report.

The company will determine whether this constitutes a need for the ILI vendor to re-grade all anomalies. If re-grading required, Steps 4-9 shall be repeated.¹⁴

The above procedure implicating section 190.907(a) establishes that after an ILI run is conducted, TGT must determine whether any significant variations in the data regarding location and anomaly attributes are present after comparing the ILI run data to field data. If significant

⁷ Reply at 5.

⁸ *Id.*

⁹ Post-hearing submission at 11.

¹⁰ *Id.* at 11-12

¹¹ *Id.* at 3.

¹² *Id.* at 1, 12. *See also* Reply at 5-6.

¹³ Notice at 2; Post-hearing submission at Attachment A.

¹⁴ Violation Report at Exhibit 1; Post-hearing submission at Attachment A.

variations are present, TGT must then decide whether to have the ILI vendor resubmit the data and whether, if severe discrepancies exist, all anomalies need to be re-graded.¹⁵

OPS' allegation in the Notice as to the existence of significant variations between the field and ILI data is based on five gouges discussed during the hearing that were identified during post-ILI run field excavation activities.¹⁶ OPS alleged the gouges had potential wall metal loss over a 15 percent threshold that TGT had voluntarily requested be "called out" in the ILI run data, but which the ILI report did not identify.¹⁷ OPS therefore asserted that significant variations existed between the ILI data and the field data.¹⁸

TGT disputed that the variations in data discussed by OPS at the hearing were considered significant.¹⁹ TGT stated "[t]he claims that the ILI vendor did not detect the additional gouges and that the field data varied significantly from the ILI data and contained severe discrepancies lacks evidentiary support."²⁰ In support of its position, TGT explained there were not location and anomaly discrepancies in the ILI data as compared to the corresponding field data.²¹ TGT explained that the gouges discussed during the hearing had been detected by the ILI tool but not "called out" because they were outside of the sizing and attribute parameters of the ILI tool.²² TGT stated the gouges were actually detected by the tool via deviations reflected in applicable data and that that information was provided to its own field personal during later field excavation

¹⁵ There was agreement of both parties that TGT made a determination not to re-grade the ILI anomaly data as described in the IMP Manual provision cited in the Notice. Post-hearing submission at 1-3, 5-10. *See also* Recommendation at 7. OPS acknowledged at the hearing and in its Recommendation that TGT made such determination, stating it "... does not dispute that TGT decided to not ask the ILI vendor to regrade and resubmit the data." Recommendation at 7. *See also* Hearing Transcript (Tr.) at: 11-12; 15: 13-22; 16: 1-16; 40: 10-19. OPS characterized the allegation at issue at the hearing as involving TGT's failure to follow its IMP Manual via an alleged lack of documentation evidencing TGT's determination. *Id.* TGT pointed to documentation of its evaluation of the ILI data and its determination to not request re-submission or re-grading of the ILI report as including: dig sheets describing the attributes and locations of called anomalies as well as the detected additional gouges; Pipe Evaluation Information forms; a Completed Integrity Assessment Excavation Summary (2021 ILI); unity plots; and, data screenshots showing deviations in the ILI data apparently caused by the gouges discussed at the hearing. *See* Post-hearing submission at 11-12. However, as based on the discussion below regarding the lack of evidence to prove there were significant variations in the ILI data, this Final Order need not address the adequacy of TGT's documentation of its determination addressing the May 2021 ILI run data. The Notice also did not allege a violation of section 192.947(d), which requires a pipeline operator to maintain for the useful life of a pipeline "... [d]ocuments to support any decision ..." made under its IMP.

¹⁶ *See* Tr. at 26: 20-22; 27: 1-2; 36: 12-17; 44: 19-22; 45: 1-4 and 15-22; 46: 1-2; 51; 17-22. Recommendation at 2, 4-11.

¹⁷ *Id.*

¹⁸ Tr. at 32: 17-22; 34: 4-14; 35: 21-22; 36: 1-3.

¹⁹ *See e.g.*, Tr. at 69: 9-17; 75: 19-22, 76: 1-13; 80: 9-15. *See also* Post-hearing submission at 1-2, 11.

²⁰ Post-hearing submission at 11.

²¹ Post-hearing submission at 9-11.

²² *See* Tr. at 61-66; 76: 1-13. Reply at 3-5.

activities, and also to OPS prior to issuance of the Notice.²³ TGT posited that OPS was attempting to correlate the limitations of the ILI tool parameters as representing the existence of significant variations when comparing ILI data to field data.²⁴ TGT asserted that where gouges that were detected by the ILI tool but do not meet the sizing or attribute reporting parameters of the ILI tool, that re-submission or re-grading would not actually result in any differences in the ILI report (explaining there would be no purpose in re-submitting or re-grading the May 2021 ILI data).²⁵

A review of the record indicates neither the Notice nor OPS' testimony at the hearing cite to an ascertainable threshold, whether in TGT's IMP Manual, in Part 192, or in other applicable reference, to establish what represents a significant variation between the field data and the ILI data. OPS explained at the hearing its opinion of the definition of a significant variation as applicable to this ILI run (*i.e.*, that the five gouges discussed at the hearing were not identified in the ILI report).²⁶ The Recommendation also did not identify an applicable reference to be able to ascertain a threshold proving the existence of significant variations. The Recommendation indicated that OPS views the ILI data in this case as significantly varying under TGT's IMP Manual because certain gouges exceeded metal loss thresholds TGT asked the ILI vendor to identify.²⁷

In sum, the record lacks substantial evidence to prove that the May 2021 ILI data significantly varied from the field data (or the existence of any severe discrepancies) such that a determination as to the necessity of re-submission or re-grading of the ILI data was required under TGT's IMP Manual. TGT presented evidence and testimony explaining the ILI report did not "call out" the gouges discussed at the hearing because the gouges did not meet sizing or attribute reporting parameters of the ILI tool. OPS did not provide evidence proving the presence of significant variations between the ILI and field data under any provision of TGT's IMP Manual or Part 192, nor evidence to overcome TGT's evidence addressing the ILI tool sizing and attribute reporting parameters discussed above.

Accordingly, after considering all of the evidence, I find that OPS did not meet its burden of proving the allegation in the Notice. Based upon the foregoing, I hereby order that the Notice be withdrawn.

ASSESSMENT OF PENALTY

²³ Post-hearing submission at 2. Tr. at 63: 1-20.

²⁴ Post-hearing submission at 10-11.

²⁵ TGT explained that the "ILI vendor does not re-grade metal loss anomalies caused by gouges because their irregular profiles are not repeatable." Post-hearing submission at 10. *See also* Reply at 2-3, 5; Tr. at 91: 2-18.

²⁶ *See* Tr. at 23: 9-11; 29: 3-7; 30: 19-22; 31: 21-22; 32: 1-3 and 17-20; 34: 4-14; 35: 21-22; 36:1-3; 40: 5-19; 45: 18-22. *See also* Recommendation at 2-6.

²⁷ Recommendation at 6 ("Central Region views the field data obtained by TGT . . . as varying significantly from the vendor's data.").

The Notice proposed a civil penalty of \$50,200 for Respondent's alleged violation of 49 CFR § 192.907(a). Since the Notice has been withdrawn, the proposed penalty is not assessed.

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued