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

901 Locust Street, Suite 480
Kansas City, MO 64106

NOTICE OF PROBABLE VIOLATION
AND
PROPOSED CIVIL PENALTY

VIA ELECTRONIC MAIL TO: **stan.horton@bwpipelines.com; tina.baker@bwpipelines.com**

May 21, 2024

Stanley C. Horton
Chief Executive Officer, Boardwalk Pipelines
Texas Gas Transmission, LLC
9 Greenway Plaza, Suite 2800
Houston, TX 77046

CPF 3-2024-048-NOPV

Dear Mr. Horton:

From March 6 to July 24, 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 Texas Gas Transmission, LLC's (TGT) pipeline facilities and records in Texas, Louisiana, Arkansas, Mississippi, and Tennessee. TGT is a subsidiary of Boardwalk Pipelines.

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

1. **§ 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. An operator must make continual improvements to the program.

TGT failed to follow its Integrity Management Program (IMP) Procedure Manual on its EIS 18-2 pipeline segment – Hwy 61 to Weaver Road, located near Clarksdale, Mississippi. Specifically, TGT failed to follow its own procedure, IMP Procedure Manual Appendix 4, Step 11, Task 2, "Resubmission of Data (if required)," by not determining whether the anomalies discovered by field personnel during integrity assessment digs, but not detected by the ILI vendor, constituted a need for the ILI vendor to re-grade the anomalies and re-submit the data.

From a review of the 2021 in-line inspection (ILI) assessment records, it was identified that at ILI wheel count 33387.19, 142597.88 and 420933.73 significant gouges were found by the field during integrity assessment digs that were not detected by the ILI vendor. TGT stated in its response to PHMSA's Request for Specific Information, dated April 11, 2024, that despite the additional identified gouges "No regrade was warranted for this assessment. In each mentioned anomaly there was a geometric anomaly and volumetric anomaly that directly corresponded to the as-found and was not previously called in calendar year 2014. Please see the 2021 ILI Summary (attached) for additional details on page 6. Additionally, the vendor provided a unity plot after Texas Gas shared results indicating the tool performed as expected."

The original anomalies identified by the ILI vendor were included in the above mentioned unity plot which illustrates data caliber. However, TGT failed to consider the additional gouges identified by the field personnel that were not identified by the ILI vendor that were found at the aforementioned integrity dig locations. Because of the presence of several additional field identified gouges, indicating severe discrepancies with the data, TGT's procedure required TGT to make a determination of whether these anomalies constituted a need for the ILI vendor to re-grade the anomalies and re-submit the data. By not addressing the actual anomaly and the predicted attributes as described in their IMP Appendix 4, TGT has failed to follow its own procedures, in violation of § 192.907(a).

<u>Proposed Civil Penalty</u>

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 violation(s) and recommend that you be preliminarily assessed a civil penalty of $50,200 as follows:

Item number	PENALTY
1	$ 50,200

Response to this Notice

This Notice is issued in accordance with 49 C.F.R. § 190.207(c). Any response you may have submitted to the original Notice is no longer applicable. You must respond as set forth below.

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 3-2024-048-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

GREGORY ALAN OCHS Digitally signed by GREGORY ALAN OCHS
Date: 2024.05.21 04:25:25 -05'00'

Gregory A. Ochs
Director, Central Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

cc: Tina Baker, Manager, Compliance Service, Boardwalk Pipelines
(tina.baker@bwpipelines.com)

Enclosures:

Response Options for Pipeline Operators in Enforcement Proceedings