

WARNING LETTER

VIA ELECTRONIC MAIL TO: scott.hallam@bwpipelines.com; tina.baker@bwpipelines.com

August 14, 2024

Mr. Scott Hallam
President/CEO
Boardwalk Pipelines, LP
9 Greenway Plaza, Suite 2800
Houston, TX 77046

CPF 3-2024-065-WL

Dear Mr. Hallam:

From August 21 through October 5, 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 the Texas Gas Transmission, LLC and Gulf South Pipeline Company, LLC (BW Pipelines)¹ procedures and records for the new Gas Integrity Rule² in Owensboro, Kentucky.

As a result of the inspection, it is alleged that BW 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. § 192.607 Verification of Pipeline Material Properties and Attributes: Onshore steel transmission pipelines.

(a)

(b) *Documentation of material properties and attributes.* Records established under this section documenting physical pipeline characteristics and attributes, including diameter, wall thickness, seam type, and grade (e.g., yield strength, ultimate tensile

¹ Boardwalk Pipelines, LP, is the primary safety relation for both Texas Gas Transmission, LLC, and Gulf South Pipeline Company, LLC. Both Texas Gas Transmission, LLC, and Gulf South Pipeline Company, LLC, are subsidiaries of Boardwalk Pipelines, LP. See Our Business, BOARDWALK PIPELINES, <https://www.bwpipelines.com/our-business/default.aspx> (last accessed August 12, 2024). The inspection covered both assets and therefore both assets will be referred to as Boardwalk Pipelines, LP (BW Pipelines).

² 84 Fed. Reg. 52180 (Oct. 1, 2019).

strength, or pressure rating for valves and flanges, etc.), must be maintained for the life of the pipeline and be traceable, verifiable, and complete. Charpy v-notch toughness values established under this section needed to meet the requirements of the ECA method at § 192.624(c)(3) or the fracture mechanics requirements at § 192.712 must be maintained for the life of the pipeline.

BW Pipelines failed to maintain records for material verification that are traceable, verifiable, and complete (TVC), per the requirements of § 192.607(b). Specifically, BW Pipelines relied on a single source to meet the requirement of TVC. BW Pipelines provided a record of a single source to demonstrate TVC of a segment of pipe installed in 1928. The example was presented to PHMSA in a PowerPoint presentation, entitled “Boardwalk TVC Program,” slides 21-23, Example 3. The single record was created in 1969; the pipe was installed in 1928. There was no indication of where the information contained in the record was sourced from, as it was clearly transcribed from another document. BW Pipelines maintained that in cases of “old” pipe installation, a single source record is the only record it maintains for TVC determination.

This record only included the date of installation, station numbers, and pipe attributes of outside diameter and wall thickness, which is not sufficient to meet the requirements of § 192.607(b), as it did not include specific characteristics and attributes including yield strength, ultimate tensile strength, and pressure ratings. No other record was provided to demonstrate full TVC.

However, even the information included within the record (*i.e.*, the date of installation, station numbers, and pipe attributes of outside diameter and wall thickness), is inadequate to demonstrate TVC of those elements. This is because a single source record, such as this relevant record, cannot form the basis of reasonable justification for TVC determination for several reasons. First, it cannot meet the definition of traceable. Traceable records are those which can be clearly linked to original information about a pipeline segment or facility. Information from a transcribed document should be verified with complementary or supporting documents. Second, these types of records cannot be verified. Verifiable records are those in which information is confirmed by other complementary, but separate, documentation. Third, these types of records are often “incomplete.” Complete records are those in which the record is finalized as evidenced by a signature, date, or other appropriate marking such as a corporate stamp or seal.

Here, the relevant record cannot serve as an adequate basis for TVC because it (1) did not have a complementary or supporting documentation, (2) cannot be verified by complementary or supporting documentation, and (3) did not have any indication of being “finalized,” in addition to (4) missing other specific characteristics and attributes (yield strength, ultimate tensile strength, and pressure ratings).

Thus, the single record provided did not meet the Traceable, Verifiable or Complete aspects of TVC; therefore, the pipe should not have been considered TVC’d. As a result, the attributes must be opportunistically obtained through § 192.607(c) efforts.

2. § 192.624 Maximum allowable operating pressure reconfirmation: Onshore steel transmission pipelines.

(a) *Applicability.* Operators of onshore steel transmission pipeline segments must reconfirm the maximum allowable operating pressure (MAOP) of all pipeline segments in accordance with the requirements of this section if either of the following conditions are met:

(1)

(2) The pipeline segment's MAOP was established in accordance with § 192.619(c), the pipeline segment's MAOP is greater than or equal to 30 percent of the specified minimum yield strength, and the pipeline segment is located in one of the following areas. . . .

BW Pipelines did not include all of its applicable § 192.619(c) lines in the MAOP Reconfirmation Plan, as required by § 192.624(a)(2). BW Pipelines provided PHMSA the following list of § 192.619(c) lines which were not included in the reconfirmation plan:

Pipeline	Mileage
MLS 26-1TT	21.721
MLS 26-2TT	18.168
BAE 26-1TT	5.432
BAE 30-1TT	4.900
EIS 18-1TT	3.027
Index 129	2.814
Index 300	2.066
EUT 20-1TT	1.058
Index 311	0.499
Index 130	0.346
Index 266-L	0.122
Index 266	0.103
EIS 18-2TT	0.058
EUR-16-1TT	0.003
EUR-16-2TT	0.003
SHC 20-1TT	0.002
Index 287	0.001
Index 205.4	0.001
Total	60.3

BW Pipelines explained to PHMSA that these pipelines were not included in its reconfirmation plan because it had a valid hydrotest for each line. Section 192.624(a)(2) requires that all pipelines whose MAOP was established under § 192.619(c) must be reconfirmed if they are located in a Class 3 or 4, or an MCA that can accommodate an inline inspection tool. The regulation does not provide that § 192.619(c) pipe that was previously hydrostatically tested is exempt from § 192.624(a)(2) applicability. The line segments in question must be included in the reconfirmation plan to be reconfirmed as required by § 192.624(a)(2).

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 \$2,391,142 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 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 correct the items identified in this letter. Failure to do so will result in Boardwalk Pipelines, LP, being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 3-2024-065-WL**. Be advised that all material you submit 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).

Sincerely,

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

cc: Tina Baker, Manager, Compliance Services, Boardwalk Pipelines, LP,
tina.baker@bwpipelines.com