

December 6, 2024

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

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

CPF No. 3-2024-066-NOPV

Dear Mr. Hallam:

Enclosed please find a Consent Order incorporating the terms of the Consent Agreement between the Pipeline and Hazardous Materials Safety Administration (PHMSA), Texas Gas Transmission, LLC, and Gulf South Pipeline Company, LLC, which was executed on November 21, 2024. When the civil penalty has been paid, this enforcement action will be closed. Service of the Consent Order and Consent Agreement by electronic mail is deemed effective upon the date of transmission and acknowledgement of receipt, or as otherwise 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

Enclosures: Consent Order and Consent Agreement

cc: Mr. Gregory Ochs, Director, Central Region, Office of Pipeline Safety, PHMSA
Mr. Jeff Sanderson, Senior Vice President, Operations Engineering and Construction,
Boardwalk Pipeline, LP, jeff.sanderson@bwpipelines.com

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

Mr. Tony Rizk, Vice President, Technical Services, Boardwalk Pipelines, LP,
tony.rizk@bwpipelines.com

CONFIRMATION OF RECEIPT REQUESTED

)	
In the Matter of)	
)	
Gulf South Pipeline Company, LLC,)	
and Texas Gas Transmission, LLC,)	CPF No. 3-2024-066-NOPV
)	
Respondent.)	
)	

By letter dated August 22, 2024, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), issued a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice) to Texas Gas Transmission, LLC (Texas Gas) and Gulf South Pipeline Company, LLC (Gulf South) (jointly referred to as Respondents).¹

Accordingly, the Consent Agreement is hereby approved and incorporated by reference into this Consent Order. Respondents are hereby ordered to comply with the terms of the Consent Agreement pursuant to its terms. Pursuant to 49 U.S.C. § 60101, *et seq.*, failure to comply with this Consent Order may result in the assessment of civil penalties as set forth in 49 U.S.C. § 60122 and 49 C.F.R. § 190.223, or in referral to the Attorney General for appropriate relief in a district court of the United States.

¹ Gulf South and Texas Gas are wholly owned operating subsidiaries of Boardwalk Pipelines, L.P. Gulf South's Operator Identification Number (OPID) is 31728 and Texas Gas's OPID is 19270. Gulf South and Texas Gas operate their pipeline systems pursuant to procedures that are maintained by Boardwalk on behalf of multiple Boardwalk-owned pipelines. Boardwalk does not operate any pipeline facility and does not have an OPID.

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

December 6, 2024

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued

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

In the Matter of)	
)	
)	
Gulf South Pipeline Company, LLC)	
and Texas Gas Transmission, LLC,)	CPF No. 3-2024-066-NOPV
)	
Respondents.)	
)	

CONSENT AGREEMENT

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 Title 49, United States Code (U.S.C.), inspected the procedures and records of Texas Gas Transmission, LLC (Texas Gas) and Gulf South Pipeline Company, LLC (Gulf South) (jointly referred to as Respondents) in Owensboro, Kentucky.²

As a result of the inspection, the Director, Central Region, OPS (Director), issued to Respondents, by letter dated August 22, 2024, a Notice of Probable Violation, Proposed Compliance Order, and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding two violations of 49 C.F.R. Part 192 (Items 1 & 2). Item 1 of the Notice alleged a violation involving only Gulf South and proposed a civil penalty of \$68,800. Item 2 of the Notice alleged a violation involving both Gulf South and Texas Gas and proposed ordering Respondents to take certain measures to correct the alleged violation.

Gulf South and Texas Gas responded to the Notice by letter dated September 12, 2024 (Response). Gulf South did not contest Item 1 of the Notice or its associated Proposed Civil Penalty. Respondents contested Item 2 of the Notice and its associated Proposed Compliance Order and requested a hearing. Respondents also requested to meet informally with PHMSA to discuss the matters raised in their Response.

PHMSA and Respondents (the Parties) subsequently met to discuss the issues raised in the Response on October 31, 2024. As a result of those discussions and the documentation provided in the Response and as explained in more detail below, the Parties have agreed to a Consent

² Gulf South and Texas Gas are wholly owned operating subsidiaries of Boardwalk Pipelines, L.P. Gulf South's Operator Identification Number (OPID) is 31728 and Texas Gas's OPID is 19270. Gulf South and Texas Gas operate their pipeline systems pursuant to procedures that are maintained by Boardwalk on behalf of multiple Boardwalk-owned pipelines. Boardwalk does not operate any pipeline facility and does not have an OPID.

Agreement by which PHMSA makes a finding of violation for Item 1 as alleged in the Notice and withdraws Item 2 as alleged in the Notice and its associated Proposed Compliance Order. Gulf South will pay a civil penalty in the amount of **\$68,800** for Item 1.

Having agreed that settlement of this proceeding will avoid further administrative proceedings or litigation and will serve the public interest by promoting safety and protection of the environment, pursuant to 49 U.S.C. § 60101, *et seq.* and 49 C.F.R. Part 190, and upon consent and agreement, the Parties hereby agree as follows:

I. General Provisions

1. Respondents acknowledge that as the operators of the pipeline facilities subject to the Notice, Respondents and their referenced pipeline facilities are subject to the jurisdiction of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and administrative orders issued thereunder. For purposes of this Consent Agreement (Agreement), Respondents acknowledge that they received proper notice of PHMSA's action in this proceeding and that the Notice states claims upon which relief may be granted pursuant to 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder.

2. After Respondents return this signed Agreement to PHMSA, the Agency's representative will present it to the Associate Administrator for Pipeline Safety, recommending that the Associate Administrator adopt the terms of this Agreement by issuing an administrative order (Consent Order) incorporating the terms of this Agreement. The terms of this Agreement constitute an offer of settlement until accepted by the Associate Administrator. Once accepted, the Associate Administrator will issue a Consent Order incorporating the terms of this Agreement.

3. Respondents consent to the issuance of the Consent Order, and hereby waive any further procedural requirements with respect to its issuance. Respondents waive all rights to contest the adequacy of notice, or the validity of the Consent Order or this Agreement, including all rights to administrative or judicial hearings or appeals, except for the Dispute Resolution provisions set forth herein. Respondents agree to withdraw their request for an administrative hearing regarding Item 2 of the Notice.

4. This Agreement shall apply to and be binding upon PHMSA and Respondents, their officers, directors, and employees, and their successors, assigns, or other entities or persons otherwise bound by law. Respondents agree to provide a copy of this Agreement and any incorporated work plans and schedules to all of Respondents' officers, employees, and agents whose duties might reasonably include compliance with this Agreement.

5. This Agreement constitutes the final, complete and exclusive agreement and understanding between the Parties with respect to the settlement embodied in this Agreement. The Parties acknowledge that there are no representations, agreements or understandings relating to settlement other than those expressly contained in this Agreement, except that the terms of this Agreement may be construed by reference to the Notice.

6. Nothing in this Agreement affects or relieves Respondents of their responsibility to comply with all applicable requirements of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder. Nothing in this Agreement alters PHMSA's right of access, entry, inspection, and information gathering or PHMSA's authority to bring enforcement actions against Respondents pursuant to the Federal pipeline safety laws, the regulations and orders issued thereunder, or any other provision of Federal or State law.

7. For all transfers of ownership or operating responsibility of Respondents' pipeline systems referenced herein, Respondents will provide a copy of this Agreement to the prospective transferee at least 30 days prior to such transfer. Respondents will provide written notice of the transfer to the Director no later than 60 days after the transfer occurs.

8. This Agreement does not waive or modify any Federal, State, or local laws or regulations that are applicable to Respondents' pipeline systems. This Agreement is not a permit, or a modification of any permit, under any Federal, State, or local laws or regulations. Respondents remain responsible for achieving and maintaining compliance with all applicable Federal, State, and local laws, regulations and permits.

9. This Agreement does not create rights in, or grant any cause of action to, any third party not party to this Agreement. The U.S. Department of Transportation is not liable for any injuries or damages to persons or property arising from acts or omissions of Respondents or their officers, employees, or agents carrying out the work required by this Agreement. Respondents agree to hold harmless the U.S. Department of Transportation, its officers, employees, agents, and representatives from any and all causes of action arising from any acts or omissions of Respondents or their contractors in carrying out any work required by this Agreement.

10. Except as set forth herein, this Agreement does not constitute a finding of violation of any other federal law or regulation and may not be used in any civil proceeding of any kind as evidence or proof of any fact, fault or liability, or as evidence of a violation of any law, rule, regulation, or requirement, except in a proceeding to enforce the provisions of this Agreement or in future PHMSA enforcement actions.

II. Finding of Violation:

11. ***Item 1 - 49 C.F.R. § 192.5(b)(3)(ii):*** The Notice alleged that Gulf South did not identify a Class 3 location along Line 129 on Gulf South's pipeline system. Specifically, the Notice alleged that there was a building within 100 yards of the pipeline, which was designated as a Class 1 location, that is occupied by 20 or more persons on at least 5 days a week for 10 weeks in any 12-month period, which makes it a Class 3 area. Gulf South does not contest the allegation of violation as alleged in the Notice. As such, PHMSA finds a violation of 49 C.F.R. § 192.5(b)(3)(ii).

12. Item 1 will be considered by PHMSA as a prior offense in any future PHMSA enforcement action taken against Gulf South.

III. Item Withdrawn:

13. **Item 2 - 49 C.F.R. § 192.605(a):** With respect to Item 2 of the Notice, the Parties agree that this Item should be withdrawn following review of the documentation provided with Respondents' Response demonstrating that Gulf South and Texas Gas did not fail to comply with the regulation as alleged in the Notice. Because this Item is withdrawn, it will not constitute a finding of violation for any purpose, and no further action by Respondents is necessary with respect to this Item. As such, the allegation of violation for Item 2 and the Proposed Compliance Order associated with this Item are withdrawn.

IV. Civil Penalty:

14. **Item 1:** The Notice proposed assessing a civil penalty in the amount of \$68,800 for Item 1. Gulf South did not contest the Proposed Civil Penalty for this Item. As such, Gulf South shall pay a civil penalty in the amount of **\$68,800** for Item 1.

15. Gulf South will pay a total civil penalty in the amount of **\$68,800**, pursuant to the payment instructions at 49 C.F.R. § 190.227(a), to be paid in full no later than 20 days from the **Effective Date** of this Agreement.

V. Enforcement:

16. This Agreement is subject to all enforcement authorities available to PHMSA under 49 U.S.C. § 60101, *et seq.*, and 49 C.F.R. Part 190, including administrative civil penalties under 49 U.S.C. § 60122, of up to \$266,015 per violation for each day the violation continues and referral of the case to the Attorney General for judicial enforcement, if PHMSA determines that Respondents are not complying with the terms of this Agreement in accordance with the determinations made by the Director, or in accordance with decisions of the Associate Administrator if resolved pursuant to the Dispute Resolution process herein. The maximum civil penalty amounts are adjusted annually for inflation. *See* 49 C.F.R. § 190.223.

VI. Dispute Resolution:

17. The Director and Respondents will informally attempt to resolve any disputes arising under this Agreement. If Respondents and the Director are unable to informally resolve the dispute within 15 calendar days after the dispute is first raised, in writing, to the Director, Respondents may submit a written request for a determination resolving the dispute from the Associate Administrator. Such request must be made in writing and provided to the Director, counsel for the Central Region, and to the Associate Administrator, no later than 10 calendar days from the 15-day deadline for informal resolution referenced in this paragraph. Along with their request, Respondents must provide the Associate Administrator with all information Respondents believe is relevant to the dispute. Decisions of the Associate Administrator under this paragraph will constitute final agency action. The existence of a dispute and PHMSA's consideration of matters placed in dispute will not excuse, toll, or suspend any term or timeframe for completion of any work to be performed under this Agreement during the pendency of the dispute resolution process.

VII. Effective Date:

18. The term “Effective Date,” as used herein, is the date on which the Consent Order is issued by the Associate Administrator incorporating the terms of this Agreement.

VIII. Recordkeeping and Information Disclosure:

19. Unless otherwise required in this Agreement, Respondents agree to maintain records demonstrating compliance with all requirements of this Agreement for a period of at least five (5) years following completion of all work to be performed, unless a longer period of time is required pursuant to 49 C.F.R. parts 190-199. For any reports, plans, or other deliverables required to be submitted to PHMSA pursuant to this Agreement, Respondents may assert a claim of business confidentiality or other protections applicable to the release of information by PHMSA, covering part or all of the information required to be submitted to PHMSA pursuant to this Agreement in accordance with 49 C.F.R. Part 7. Respondents must mark the claim of confidentiality in writing on each page, and include a statement specifying the grounds for each claim of confidentiality. PHMSA determines release of any information submitted pursuant to this Agreement in accordance with 49 C.F.R. Part 7, the Freedom of Information Act, 5 U.S.C. § 552, DOT and PHMSA policies, and other applicable regulations and Executive Orders.

IX. Modification:

20. The terms of this Agreement may be modified by mutual agreement of the Parties. Such modifications must be in writing and signed by all parties.

X. Termination:

21. This Agreement will remain in effect until the civil penalty in Section IV is paid. This enforcement action will be closed upon payment. Nothing in this Agreement prevents Respondents from completing any of the obligations earlier than the deadlines provided for in this Agreement.

XI. Ratification:

22. The Parties’ undersigned representatives certify that they are fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind such party to this document.

23. The Parties hereby agree to all findings, conditions, and terms of this Agreement.

[Signature Lines on Following Page]

**For Gulf South Pipeline Company, LLC and
Texas Gas Transmission, LLC**

Jeff Sanderson
SVP Operations Engineering & Construction
Boardwalk Pipeline Partners, LP

Date

For PHMSA:

Director, Central Region, Office of Pipeline Safety