

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 19, 2012

Mr. Richard Keyser
Senior VP Operations
Texas Gas Transmission LLC
9 Greenway Plaza, Suite 2800
Houston, TX. 77046

CPF 4-2012-1021

Dear Mr. Keyser:

On August 4, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code investigated an accident involving Texas Gas Transmission LLC's (Texas Gas) Roanoke-Grand Chenier 20" pipeline near Grand Chenier, LA.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §192.605 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response.

§192.475 (a) Internal corrosion control: General.

- (a) Corrosive gas may not be transported by pipeline, unless the corrosive effect of the gas on the pipeline has been investigated and steps have been taken to minimize internal corrosion.**

Texas Gas failed to follow their Corrosion Control Procedures for monitoring the Roanoke-Grand Chenier 20" pipeline system for internal corrosion (Corrosion Control Procedures OM.20.11.01.06 and Internal Corrosion Manual). Texas Gas had one probe installed on the section of pipeline upstream of the Roanoke-Grand Chenier 20" pipeline but did not inject inhibitor in the line after April 2004. Texas Gas Procedures required that "operational dead legs (i.e., those which have no flow because of shut valves) should be flushed when possible." On August 4, 2009, Texas Gas experienced a second failure on this pipeline system due to internal corrosion.

2. §192.605 Procedural manual for operations, maintenance, and emergencies.

- (b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**

- (2) Controlling corrosion in accordance with the operations and maintenance requirements of subpart I of this part.**

Texas Gas did not have procedures to include low flow or no flow pipelines in the Section 3.0 DETERMINING WHEN TO MONITOR FOR INTERNAL CORROSION. Texas Gas Corrosion Control Procedures OM.20.11.01.06, Section 3 provides for factors to consider "when" to monitor for internal corrosion; however, the situation of low flow or no flow was not included as a consideration. Texas Gas should review these procedures to include these low or no flow situations. In addition, Texas Gas should re-evaluate its pipeline systems to identify additional pipelines that may fall into this low/no flow category.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation and has recommended that you be preliminarily assessed a civil penalty of \$100,000 for Item 1.

Warning Items

With respect to item 2 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 promptly correct this item. Failure to do so may result in additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. All material 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). 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.

In your correspondence on this matter, please refer to **CPF 4-2012-1021** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*