

WARNING LETTER

VIA ELECTRONIC MAIL

February 22, 2023

Kenneth Foyil
Vice President of Operations
Hartree Natural Gas Storage, LLC
1 Riverway
Houston, TX 77056

CPF 4-2023-014-WL

Dear Mr. Foyil:

From April 12 to September 26, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Hartree Natural Gas Storage, LLC's (Hartree) Pine Prairie Pipeline Header Gas System in Louisiana.

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

1. § 192.605 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. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(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.

(1)

(8) Periodically reviewing the work done by operator personnel to determine the effectiveness, and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found.

Hartree failed to follow its manual of written procedures for conducting operations and maintenance activities and for emergency response in accordance with § 192.605(a). Specifically, Hartree failed to periodically review the work done by operator personnel to determine the effectiveness, and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found as required by § 192.605(b)(8).

Hartree's procedures state that "Hartree periodically reviews the work done by operator personnel to determine the effectiveness, and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found."¹ However, Hartree failed to provide records documenting this periodic effectiveness review required by § 192.605(b)(8) and its procedures.

Therefore, Hartree failed to follow its manual of written procedures for conducting operations and maintenance activities and for emergency response in accordance with § 192.605(a) and § 192.605(b)(8).

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

(a)

(d) *Safety-related condition reports.* The manual required by paragraph (a) of this section must include instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 191.23 of this subchapter.

Hartree failed to include instructions in its trainings enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 191.23 in accordance with § 192.605(d). Specifically, Hartree failed to provide proper training for its personnel to identify safety-related conditions.

During the PHMSA inspection, Hartree stated that safety meetings are conducted to train operations & maintenance personnel on how to recognize conditions that potentially may be safety-related conditions. However, Hartree failed to provide records of those safety meetings. Hartree must instruct personnel to recognize safety-related conditions and retain supporting records.

Therefore, Hartree failed to include instructions in its trainings enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 191.23 in accordance with § 192.605(d).

¹ Pipeline Safety Violation Report (Violation Report), (February 22, 2023) (on file with PHMSA), Exh. A, Hartree Natural Gas Storage, LLC Operations and Maintenance Program (O&M), at section 6.8 (Rev. 1).

3. § 192.705 Transmission lines: Patrolling.

(a)

(c) Methods of patrolling include walking, driving, flying or other appropriate means of traversing the right-of-way.

Hartree failed to adequately conduct aerial patrols of its right-of-way (ROW) in accordance with § 192.705(c). Specifically, when conducting aerial patrols, Hartree failed to use the correct mileage to observe surface conditions on and adjacent to the transmission line ROW for indications of leaks, construction activity, and other factors affecting safety and operation on Pine Prairie's Pipeline Header System.

The report forms (Pipeline Patrol/Follow up Report Form No. PPEC 204; 9/2009) did not include the correct mileage on the forms that the pilot uses to conduct aerial patrols. In addition, observations are called in to Pine Prairie personnel to investigate near misses and excavation activity. Excavation activity is investigated by Hartree personnel. Therefore, Pine Prairie must update these forms with the correct mileage (ROW miles or Pipeline miles), as well as notification of the observation and the date of investigation by individuals.

Therefore, Hartree failed to adequately conduct aerial patrols of its right-of-way (ROW) in accordance with § 192.705(c).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to 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. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

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 may result in Hartree Natural Gas Storage, LLC 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 4-2023-014-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,

Bryan Lethcoe
Director, Southwest Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

cc: RJ Sheffie, Operations Compliance Manager, Rj.Sheffie@hartreegs.com