



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

1200 New Jersey Ave., S.E.
Washington, DC 20590

OCT 28 2008

Mr. Walter Ferguson
Vice President, Pipeline Operations
CenterPoint Energy - Mississippi River Transmission Company
1111 Louisiana, Suite 1120
Houston, TX 77002

Re: CPF No. 3-2007-1014

Dear Mr. Ferguson:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$71,000. I acknowledge receipt of your wire transfer of \$71,000 on September 21, 2007, and accept it as payment in full of the civil penalty assessed herein. This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for pipeline Safety

cc: Ivan Huntoon
Director, Central Region, PHMSA

Enclosure

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

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

In the Matter of)	
)	
CenterPoint Energy - Mississippi River Transmission Company,)	CPF No. 3-2007-1014
)	
Respondent.)	
)	

FINAL ORDER

On August 20, 2007, in accordance with 49 C.F.R. § 190.207, the Director, Central Region, Pipeline and Hazardous Materials Safety Administration (PHMSA), issued a Notice of Probable Violation and Proposed Civil Penalty (Notice) to CenterPoint Energy – Mississippi River Transmission Company (CenterPoint or Respondent) following an on-site inspection of Respondent’s facilities and records in Columbia, Illinois, and St. Louis, Missouri. CenterPoint is a subsidiary of CenterPoint Energy, Inc., a diversified energy company that operates natural gas distribution and transmission pipeline systems in the South and Midwest. The Notice proposed finding that Respondent committed certain violations of 49 C.F.R. Part 192 and assessing a civil penalty of \$71,000 for the alleged violations.

Respondent responded to the Notice by letter dated September 21, 2007 (Response). Respondent did not contest the allegations in the Notice and submitted a wire transfer in the amount of the proposed civil penalty (\$71,000), thereby waiving further rights to respond and authorizing the entry of this Final Order.

Pursuant to 49 C.F.R. § 190.213 and 49 U.S.C. § 60122, I hereby find that Respondent violated the following sections of 49 C.F.R. Part 192, as more fully described in the Notice:

Item 2. The Notice alleged that Respondent violated 49 C.F.R. § 192.739(a), which states:

§ 192.739 Pressure limiting and regulating stations: Inspection and testing.

(a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and

tests to determine that it is—

- (1) In good mechanical condition;
- (2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;
- (3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of § 192.201(a); and
- (4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.

Specifically, Item 2 alleged that Respondent violated 49 C.F.R. § 192.739(a) by failing to subject the pressure relief device on the fuel gas system for the turbine at the St. Jacob compressor station to tests to determine if the set point was correct.

Item 3a. The Notice alleged that Respondent violated 49 C.F.R. § 192.743(a), which states:

§ 192.743 Pressure limiting and regulating stations: Capacity of relief devices.

- (a) Pressure relief devices at pressure limiting stations and pressure regulating stations must have sufficient capacity to protect the facilities to which they are connected. Except as provided in §192.739(b), the capacity must be consistent with the pressure limits of §192.201(a). This capacity must be determined at intervals not exceeding 15 months, but at least once each calendar year, by testing the devices in place or by review and calculations.

Specifically, Item 3a of the Notice alleged that Respondent violated 49 C.F.R. § 192.743(a) by failing to perform annual checks on the capacity of the relief device on the fuel gas system for the turbine at the St. Jacob compressor station during the period from 1997 to 2006.

Item 3b. The Notice alleged that Respondent violated 49 C.F.R. § 192.743(c), which states:

§ 192.743 Pressure limiting and regulating stations: Capacity of relief devices.

- (a)
- (c) If a relief device is of insufficient capacity, a new or additional device must be installed to provide the capacity required by paragraph (a) of this section.

Specifically, Item 3b of the Notice alleged that Respondent violated 49 C.F.R. § 192.743(c) by failing to install additional relief capacity sufficient to protect connected facilities after CenterPoint installed larger regulators on the fuel gas system for the turbine at the St. Jacob compressor station in 2001. The capacity of the new regulators exceeded the capacity of the existing relief valve.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent. Having reviewed the record and considered the assessment criteria, I hereby assess Respondent a civil penalty of \$23,000 for Item 2, \$23,000 for Item 3a, and \$25,000 for Item 3b, for a total penalty of \$71,000, which amount has already been paid by Respondent.

WARNING ITEM

With respect to Item 1, the Notice alleged a probable violation of Part 192 but did not propose a civil penalty or compliance order for this item. Therefore, this is considered to be a warning item. The warning was for:

Item 1. 49 C.F.R. § 192.731 — failure to inspect and test the emergency shutdown system in the St. Genevieve compressor station within 15 months for the 2005-2006 inspection period.

In its Response, CenterPoint expressed its intent to address the cited item. Having considered such information, I find, pursuant to 49 C.F.R. § 190.205, that a probable violation of 49 C.F.R. § 192.731 occurred and Respondent is hereby advised to correct such condition. In the event that PHMSA finds a violation for this item in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order shall be effective upon receipt.

William H. Giese
for

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

OCT 28 2008

Date Issued