



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 16, 2007

Mr. Jeryl Mohn
Vice President
Trunkline Gas Company, LLC
5444 Westheimer Rd
Houston TX 77056-5306

CPF 4-2007-2005

Dear Mr. Mohn:

On August 21-25 and October 30, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Offshore Gas, Houma pipeline system in Centerville and Erath, Louisiana.

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 violation(s) are:

1. §192.475 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.

(b) Whenever any pipe is removed from a pipeline for any reason, the internal surface must be inspected for evidence of corrosion. If internal corrosion is found-

(1) The adjacent pipe must be investigated to determine the extent of internal corrosion:

(2) Replacement must be made to the extent required by the applicable paragraphs of §§192.485, 192.487, or 192,489; and,

(3) Steps must be taken to minimize the internal corrosion.

On South Timbalier 52 to South Peltier 25 10" receiver/launcher project (May 2006) a spool piece was replaced but no internal inspection documented.

2. §192.477 Internal corrosion control: Monitoring.

If corrosive gas is being transported, coupons or other suitable means must be used to determine the effectiveness of the steps taken to minimize internal corrosion. Each coupon or other means of monitoring internal corrosion must be checked two times each calendar year, but with interval not exceeding 7 1/2 months.

For the internal corrosion coupon holder at Ship Shoal 139 (Newfield production platform) there had been no coupon pull documented since 2004 at the time of the audit.

3. §192.479 Atmospheric corrosion control; General.

(a) Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

(b) Coating material must be suitable for the prevention of atmospheric corrosion.

(c) Except portions of pipelines in offshore splash zones or soil-to-air interfaces, the operator need not protect from atmospheric corrosion any pipeline for which the operator demonstrates by test, investigation, or experience appropriate to the environment of the pipeline that corrosion will—

(1) Only be a light surface oxide; or

(2) Not affect the safe operation of the pipeline before the next scheduled inspection.

Atmospheric corrosion was evident on Trunkline pipeline at South Timbalier 151 and South Timbalier 63.

4. §192.603 General provisions.

(b) Each operator shall keep records necessary to administer the procedures established under §192.605.

192.605 and Trunkline procedures call for an abnormal operating condition when normal operating limits are exceeded, however in practice, Trunkline personnel only document conditions that exceed design limits.

5. §192.605 Procedural manual for operations, maintenance, and emergencies

Each operator shall include the following in its operating and maintenance plan:

(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 one 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.

There was not a site specific emergency plan, including abnormal operations, at Ship Shoal 139 Trunkline compressor platform.

6. §192.612 Underwater inspection and reburial of pipelines in the Gulf of Mexico and its inlets.

(a) Each operator shall prepare and follow a procedure to identify its pipelines in the Gulf of Mexico and its inlets in waters less than 15 feet (4.6 meters) deep as measured from mean low water that are at risk of being an exposed underwater pipeline or a hazard to navigation. The procedures must be in effect August 10, 2005

Trunkline Gas Co procedures in effect were looked at during the August 2006 inspection in Centerville. These showed that the underwater inspection was to begin November 1, 2006, for the Trunkline Terrebonne System and November 1, 2008, for the Trunkline Vermillion System.

By October/November 2006 the inspection had been changed to November 1, 2007, for the Trunkline Terrebonne System and November 1, 2009, for the Trunkline Vermillion System, due to "lack of resources", and not noting any other reason or hazard analysis.

Trunkline Terrebonne System had not been inspected as per the procedure in effect as of August 10, 2005, which determined it to be necessary by the analysis of risk.

Trunkline Vermillion System has been postponed from November 1, 2008 to November 1, 2009, which is contrary to the procedure in effect as of August 10, 2005, which determined it to be necessary to be performed by November 1, 2008, by the analysis of risk.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$55,000 as follows:

<u>Item number</u>	<u>PENALTY</u>
2	\$24,000
6	\$31,000

Warning Items

With respect to item(s) 1 and 4 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 these item(s). Be advised that failure to do so may result in Trunkline Gas Company being subject to additional enforcement action.

Proposed Compliance Order

With respect to items 2, 3, 5, and 6 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Trunkline Gas Company. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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. 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). 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 4-2007-2005** 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: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceeding

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Trunkline Gas Company a Compliance Order incorporating the following remedial requirements to ensure the compliance of Trunkline Gas Company with the pipeline safety regulations:

1. In regard to Item Number 2 of the Notice pertaining to lack of coupon records at Ship Shoal 139 (Newfield production platform), Trunkline should provide evidence of a current ongoing program of checking the coupon at that location two times per calendar year, with interval not to exceed 7 ½ months.
2. In regard to Item Number 3 of the Notice pertaining to atmospheric corrosion on Trunkline pipeline at South Timbalier 151 and South Timbalier 63, Trunkline should clean and coat or replace seriously corroded pipeline facilities.
3. In regard to Item Number 5 of the Notice pertaining to lack of a site specific emergency plan, including abnormal operations, at Ship Shoal 139 Trunkline compressor platform, Trunkline should place a site specific emergency plan, including abnormal operations, at Ship Shoal 139 Trunkline compressor platform.
4. In regard to Item Number 6 of the Notice pertaining to the postponement of required underwater inspections, Trunkline should perform these inspections without further delay.
5. Trunkline Gas Company must address the issues within this compliance order within 90 days after receipt of a Final Order and submit to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration.
6. Trunkline shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. Costs shall be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.