



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

400 Seventh Street, S.W.
Washington, D.C. 20590

JUN 21 2006

Mr. John W. Gibson
President
Oneok, Inc./Norteno Pipeline Company
Oneok Plaza
100 W 5th Street
Tulsa, OK 74103

Re: CPF No. 4-2005-1003

Dear Mr. Gibson:

Enclosed is a decision on the petition for reconsideration filed in the above-referenced case. The Associate Administrator for Pipeline Safety has denied the petition. Accordingly, the payment of the remaining \$27,500 civil penalty is due immediately. In addition, please be advised that appropriate corrective action regarding the Warning Items specified in the Final Order must also be taken if such action has not already been completed. Your receipt of this decision constitutes service under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

Cc: Sue Griffin, Assoc. General Counsel and Asst. Corporate Secretary

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

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

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)	
In the Matter of)	
)	
Norteno Pipeline Company,)	CPF No. 4-2005-1003
a wholly-owned subsidiary of Oneok, Inc.)	
)	
Petitioner.)	
)	

DECISION ON PETITION FOR RECONSIDERATION

On February 16, 2006, pursuant to 49 U.S.C. § 60112, the Associate Administrator for Pipeline Safety (Associate Administrator) issued a Final Order in this case finding Petitioner had violated the pipeline safety regulations and assessing a civil penalty in the amount of \$27,500. The Final Order warned Petitioner to take appropriate corrective action regarding some of Petitioner’s practices for examining exposed pipe and recording data.

On March 6, 2006, Petitioner filed a petition for reconsideration of the Final Order. In its petition, Petitioner sought reconsideration of one finding of violation in the Final Order, identified as “Item 1B” for the failure to maintain a record of each test, survey, or inspection required by 49 C.F.R. § 192.481 in sufficient detail to demonstrate the adequacy of atmospheric corrosion control measures.

Petitioner argues: “Norteno has no exposed ‘pipeline or portion of pipeline’, only meters/regulators which are annually inspected for atmospheric corrosion.” In response to Item 1B, Petitioner submitted copies of its “Meter/Regulator Station Safety Inspection Reports” for five meter/regulator stations for the time period from 1998 to 2005. Petitioner states there are only five meter/regulator stations in the pipeline system, and therefore, those records are the only records required to demonstrate the adequacy of its atmospheric corrosion control measures.

Section 192.481 requires each operator to inspect “each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion.” A pipeline is “all parts of those physical facilities through which gas moves in transportation, including pipe, valves, and other appurtenance attached to pipe, compressor units, metering stations, regulator stations, delivery stations, holders,

and fabricated assemblies.”¹ Any pipeline that is above ground is “exposed to the atmosphere.” All above-ground pipe must be inspected, including pipe that is intentionally above ground – not only pipe that has become exposed through natural causes. Therefore, Petitioner is required to inspect for atmospheric corrosion on all parts of those physical facilities through which gas moves in transportation and are above ground.

Section 192.491 requires each operator to maintain records of the inspections performed under section 192.481. Petitioner states it has only five meter/regulator stations and submitted records demonstrating inspection for atmospheric corrosion of those five regulators/meters. Petitioner indicates that those records are the only records required to show it performed the inspections required under section 192.481.

Petitioner’s statement that it has no exposed “‘pipeline or portion of pipeline’, only meters/regulators” is incorrect. Petitioner’s pipeline clearly has more than five locations where pipe is above ground. Petitioner’s “System Protection Department Exposed Mains Patrol Checklist” identifies seventeen pages of locations where pipe is exposed. Although some document indicates the pipe condition at some locations, it does not indicate the condition at others. Petitioner also submitted photos of above ground pipe at locations other than the five regulator/meter sites.

Section 192.481 requires Petitioner to inspect all of the locations with exposed pipe for atmospheric corrosion, not just the regulator/meter sites. Petitioner produced records of atmospheric corrosion inspections of five regulators/meters, which are exposed pipeline subject to section 192.481. Petitioner did not produce complete records for atmospheric corrosion inspections of *all* pipeline located above ground. Of particular note, none of the documents produced by Petitioner record inspections of the Del Norte #1 line.

The records Petitioner submitted do not demonstrate that it maintained complete records of its atmospheric corrosion inspections at all locations where it has exposed pipeline.

Relief Denied

I have considered Petitioner’s request for reconsideration and the additional records it submitted with its request. Petitioner has failed to demonstrate that it maintained complete records of atmospheric corrosion inspections in sufficient detail to demonstrate the adequacy of atmospheric corrosion control measures. Therefore, all terms of the Final Order remain in effect, including assessment of the civil penalty in the amount of \$27,500.

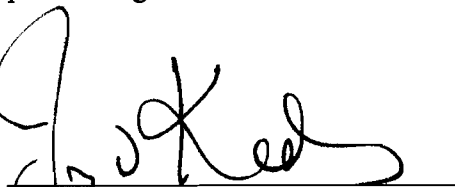
Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 C.F.R. § 89.21(b)(3)) require this payment be made by wire transfer,


¹ 49 C.F.R. § 192.3.

through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Questions concerning wire transfers should be directed to: Financial Operations Division (AMZ-120), Federal Aviation Administration, Mike Monroney Aeronautical Center, P.O. Box 25082, Oklahoma City, OK 73125; (405) 954-4719.

Failure to pay the civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a United States District Court.

This decision on reconsideration is the final administrative action in this proceeding.



 Stacey Gerard
Associate Administrator
for Pipeline Safety

JUN 21 2006

Date Issued