

Book DPS-1



U.S. Department
of Transportation

**Research and
Special Programs
Administration**

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

FEB 27 1997

Mr. Robert G. Moss
General Manager
Hanley & Bird, Inc.
Sigel Star Route
Box 39-B
Brookville, PA 15825

Re: CPF No. 13002

Dear Mr. Moss:

Enclosed is the Consent Order in the above-referenced case issued by the Associate Administrator for Pipeline Safety. Your receipt of the enclosed document constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

Gwendolyn M. Hill
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

cc: John H. Broadley, Esq.
Jenner & Block
601 Thirteenth Street NW
Twelfth Floor
Washington, D.C. 20005

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
WASHINGTON, DC

_____)
In the Matter of)
)
Hanley & Bird, Inc.,) CPF No. 13002
)
Respondent.)
_____)

CONSENT ORDER

By letter dated February 16, 1993, the Director, Eastern Region, Office of Pipeline Safety (OPS), issued to Hanley & Bird, Inc. (Hanley & Bird) a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Hanley & Bird had violated 49 C.F.R. §§ 192.273(b), 192.273(c), 192.285(d), 192.453, 192.465(a), 192.465(e), 192.469, 192.481, 192.603(b), 192.615, 192.625(f), 192.705(b), 192.706(b), 192.709, 192.731(a), 192.739, 192.743, 192.745 and 199.7 and proposed issuance of a compliance order to achieve corrective action.

Hanley & Bird requested an informal hearing in response to the Notice, which was held on November 29, 1995 in Washington, D.C. A subsequent telephone conference to resolve technical issues was held on June 6, 1996. At the hearing and in subsequent correspondence, Hanley & Bird advised that it has voluntarily taken corrective action to address many of the areas the Notice alleged needed corrective action. Hanley & Bird has also submitted a drug and alcohol plan that the Eastern Regional Director, OPS has approved.

By the attached Agreement, Hanley & Bird and OPS have agreed to the issuance of this Consent Order, which provides for Hanley & Bird to submit a plan for implementing a cathodic protection and corrosion control program and a procedural plan for operations, maintenance and emergencies that assures an adequate level of safety for its pipeline system.

AGREEMENT

WHEREAS, this proceeding for the imposition of a compliance order was instituted by the Office of Pipeline Safety (OPS), Research and Special Programs Administration (RSPA), U.S. Department of Transportation, pursuant to section 14 of the Natural Gas Pipeline Safety Act (since recodified at 49 U.S.C. § 60101 et seq.), by the issuance of a Notice of Probable Violation and Proposed Compliance Order (Notice) on February 16, 1993;

WHEREAS, the Notice applies to the gas pipeline facilities owned and operated by Hanley & Bird, Inc. (Hanley & Bird) in the Brookville, Pennsylvania area;

WHEREAS, the Notice alleged, inter alia, that Hanley & Bird had violated 49 C.F.R. §§ 192.273(b), 192.273(c), 192.285(d), 192.453, 192.465(a), 192.465(e), 192.469, 192.481, 192.603(b), 192.615, 192.625(f), 192.705(b), 192.706(b), 192.709, 192.731(a), 192.739, 192.743, 192.745 and 199.7 and proposed issuance of a compliance order to achieve corrective action;

WHEREAS, in response to the Notice, Hanley & Bird has voluntarily taken corrective action to address many of the areas the Notice alleged needed corrective action;

WHEREAS, in response to the Notice, Hanley & Bird has submitted a drug and alcohol plan that the Director, Eastern Region, OPS (Regional Director) has approved;

Pursuant to the pipeline safety laws at 49 U.S.C. § 60101 et seq., and the regulations in 49 C.F.R. Part 190, Hanley & Bird and RSPA have entered into a Consent Agreement in this case according to the following terms:

1. Hanley & Bird, as owner and operator of the gas pipeline facilities to which the Notice applies, is subject to the jurisdiction of the pipeline safety laws at 49 U.S.C. § 60101 et seq., regulations promulgated thereunder, and administrative orders issued thereunder;
2. Hanley & Bird consents to the issuance of an administrative order (Consent Order) incorporating the terms of this Agreement and waives any further procedural requirements, other than notice, with respect to its issuance and all rights to seek judicial review or otherwise contest its validity.

3. RSPA agrees not to make findings that Hanley & Bird violated §§ 192.273(b), 192.273(c), 192.285(d), 192.453, 192.465(a), 192.465(e), 192.469, 192.481, 192.603(b), 192.615, 192.625(f), 192.705(b), 192.706(b), 192.709, 192.731(a), 192.739, 192.743, 192.745 and 199.7 based on the allegations in the Notice. However, nothing in this Agreement bars RSPA from taking action based upon new evidence to address any violation or hazardous situation that may arise with respect to the facilities covered by the Notice.

4. Any actions required by the terms of this Agreement are in addition to duties imposed upon Hanley & Bird by the pipeline safety laws, and the regulations promulgated thereunder, and compliance with the terms of this Agreement shall not excuse any failure to comply with the pipeline safety laws and the regulations promulgated thereunder, except to the extent that the terms of this Agreement are more restrictive than the regulations.

5. The terms of this Agreement may be construed by reference to the Notice dated February 16, 1993, underlying Gas Pipeline Safety Violation Report (CPF No. 13002), correspondence and file memoranda on the meetings concerning the Notice. In case of conflict, the terms of this Agreement shall control.

6. The following lines will be classified as transmission lines -

A. The northwesterly line serving the Clarion Glass Plant between the last production well and the Glass Plant.

B. The northeasterly line serving the Brockway Glass Plant between the last production well and the Glass Plant, including the line connecting to the CNG pipeline.

C. The line north of the Brick Plant between the last production well and the Brick Plant. In addition, the line southwest of the brick plant to the CNG take-off point.

These lines were identified on the Hanley & Bird system map submitted to OPS dated June 7, 1996.

7. The following criteria will be used to classify which lines in Hanley & Bird's pipeline system are non-rural gathering lines -

A. Offset distances: An offset distance will be selected based on whether the maximum allowable operating pressure (MAOP) of the line is under or over 20% SMYS. For lines with MAOP below 20%, the offset distance will be 100 yards left and right of the line, and for the safe section(*) along the line. For lines with MAOP over 20% SMYS, the offset distance will be 220 yards left and right of the line, and for the safe section(*) of the line.

B. Adjacent Dwellings: Lines that run through areas with 5 or more dwellings per 1000 feet of the line within the applicable offset distance will be classified as non-rural gathering. Such lines would continue to be classified as non-rural gathering until spacing between dwellings is at least 250 feet, plus the safe section(*) distance from the nearest dwelling within the offset zone.

C. Named areas: means incorporated cities, towns and boroughs, but does not include unincorporated villages.

D. Commercial Businesses or Public Buildings: A line that approaches a commercial business or public building housing 20 or more persons a day, 5 days a week, 10 or more weeks a year will be classified as a non-rural gathering line for the length of the line that is within the applicable safe section(*) distance of the commercial business or public building.

*Safe section will be an additional section of the line extending beyond the point where the dwelling density equals or exceeds 5 per 1000 feet for a distance equal to the applicable offset distance. It is also an additional length of line beyond the boundary of a named area or from a commercial business or public building equal to the applicable offset distance.

These lines were identified on the Hanley & Bird system map submitted to OPS on June 7, 1996.

8. Hanley & Bird agrees to submit a plan for implementing a cathodic protection and corrosion control program addressing the lines identified in paragraphs 6 and 7 of this Agreement. Hanley & Bird will submit the plan to the Regional Director within 60 days after the date of issuance of a Consent Order incorporating the terms of this Agreement, unless the Regional Director grants an extension of the compliance date. The plan will provide for -

Evaluation of the unprotected pipelines and cathodic protection of those areas where active corrosion is found.

Installation of test stations on each cathodically protected pipeline to meet the requirements of 49 C.F.R. § 192.469.

Development of written procedures satisfying the corrosion control requirements in 49 C.F.R. Part 192, Subpart I, including but not limited to the following -

- procedures for the design, installation, operation, and maintenance of the cathodic protection system.
- procedures under the responsibility of a qualified individual.
- procedures for investigating shorted casings.

- procedures for abnormal operations that meet the requirements of 49 C.F.R. § 192.605(c).

- procedures addressing surveillance, emergency response and accident investigation that meet the requirements of 49 C.F.R. § 192.605(e).

- procedures addressing change in class location that meet the requirements of 49 C.F.R. § 192.611.

- procedures for a damage prevention program that meet the requirements of 49 C.F.R. § 192.614.

- procedures to minimize the hazard resulting from a gas pipeline emergency that meet the requirements of 49 C.F.R. § 192.615.

- procedures for analyzing accidents and failures that meet the requirements of 49 C.F.R. § 192.617.

- procedures addressing maximum allowable operating pressure that meet the requirements of 49 C.F.R. § 192.619.

- procedures for tapping a pipeline under pressure that meet the requirements of 49 C.F.R. § 192.627.

- procedures for purging of a pipeline that meet the requirements of 49 C.F.R. § 192.629.

- procedures addressing permanent field repair of leaks on a transmission line that meet the requirements of 49 C.F.R. § 192.717.

- procedures for testing of repairs made on a transmission line that meet the requirements of 49 C.F.R. § 192.719.

- procedures for abandonment or deactivation of a pipeline that meet the requirements of 49 C.F.R. § 192.727.

- procedures for preventing and minimizing the danger of accidental ignition of gas that meet the requirements of 49 C.F.R. § 192.751.

10. If the Regional Director finds the cathodic protection and corrosion control plan (paragraph 8) or the operations and maintenance plan (paragraph 9) inadequate, he shall within 15 days of receipt of the plan, notify Hanley & Bird of his comments and of any proposed revisions to the plan. Hanley & Bird may either accept the proposed revisions or meet with the Regional Director to attempt to resolve any differences. This provision

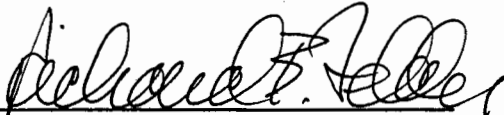
- procedures for abnormal operations that meet the requirements of 49 C.F.R. § 192.605(c).
- procedures addressing surveillance, emergency response and accident investigation that meet the requirements of 49 C.F.R. § 192.605(e).
- procedures addressing change in class location that meet the requirements of 49 C.F.R. § 192.611.
- procedures for a damage prevention program that meet the requirements of 49 C.F.R. § 192.614.
- procedures to minimize the hazard resulting from a gas pipeline emergency that meet the requirements of 49 C.F.R. § 192.615.
- procedures for analyzing accidents and failures that meet the requirements of 49 C.F.R. § 192.617.
- procedures addressing maximum allowable operating pressure that meet the requirements of 49 C.F.R. § 192.619.
- procedures for tapping a pipeline under pressure that meet the requirements of 49 C.F.R. § 192.627.
- procedures for purging of a pipeline that meet the requirements of 49 C.F.R. § 192.629.
- procedures addressing permanent field repair of leaks on a transmission line that meet the requirements of 49 C.F.R. § 192.717.
- procedures for testing of repairs made on a transmission line that meet the requirements of 49 C.F.R. § 192.719.
- procedures for abandonment or deactivation of a pipeline that meet the requirements of 49 C.F.R. § 192.727.
- procedures for preventing and minimizing the danger of accidental ignition of gas that meet the requirements of 49 C.F.R. § 192.751.

10. If the Regional Director finds the cathodic protection and corrosion control plan (paragraph 8) or the operations and maintenance plan (paragraph 9) inadequate, he shall within 15 days of receipt of the plan, notify Hanley & Bird of his comments and of any proposed revisions to the plan. Hanley & Bird may either accept the proposed revisions or meet with the Regional Director to attempt to resolve any differences. This provision

does not modify the rights of RSPA to enforce the terms of the Consent Order by the manner prescribed by law.

11. Hanley & Bird shall be entitled to petition the Associate Administrator for Pipeline Safety for an amendment to this Consent Order or the Regional Director for an amendment to the plans required herein for good cause shown or where operational or technical difficulties make it impractical for Hanley & Bird to adhere to schedules called for in the plans.


OFFICE OF PIPELINE SAFETY
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION



Richard B. Felder
Associate Administrator for
Pipeline Safety

Date: FEB 27 1997

HANLEY & BIRD, INC.



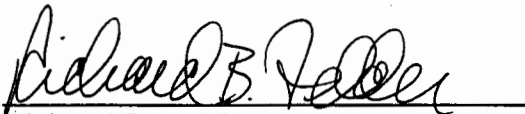
Robert G. Moss
General Manager

Date: 2-5-97

Accordingly, I hereby incorporate the terms of the attached Agreement and issue this Consent Order.

Failure to comply with this Consent Order may result in the assessment of civil penalties of up to \$25,000 per violation per day, or in the referral of the case for judicial enforcement.

The terms and conditions of this Consent Order are effective upon receipt.

A handwritten signature in black ink, appearing to read "Richard B. Felder", is written over a solid horizontal line.

Richard B. Felder
Associate Administrator for
Pipeline Safety

Date Issued: FEB 27 1997