

APRIL 05, 2013

Mr. Terry K. Spencer  
President  
ONEOK NGL Pipeline, LP  
100 West 5<sup>th</sup> Street  
Tulsa, OK 74103

Mr. Alan S. Armstrong  
President and Chief Executive Officer  
Williams Field Services Company, LLC  
One Williams Center  
Tulsa, OK 74172

**Re: CPF No. 3-2009-5010**

Dear Mr. Spencer and Mr. Armstrong:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation against ONEOK NGL Pipeline, LP, and specifies actions that need to be taken by the current operator of the Overland Pass Pipeline, Williams Field Services Company, LLC, to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Central Region, this enforcement action will be closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Mr. David Barrett, Director, Central Region, OPS  
Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, OPS  
Mr. Wes Christensen, Senior Vice President, Operations, ONEOK NGL Pipeline, LP  
Mr. Joe Freisberg, Senior Compliance Coordinator, Williams Midstream Services, LLC  
Ms. Cherie Humphries, General Manager, NGL Services, Williams Field Services  
Company, LLC

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

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

	)	
<b>In the Matter of</b>	)	
	)	
<b>ONEOK NGL Pipeline, LP,</b>	)	<b>CPF No. 3-2009-5010</b>
<b>Respondent,</b>	)	
	)	
<b>and</b>	)	
	)	
<b>Williams Field Services Company, LLC.</b>	)	
	)	

**FINAL ORDER**

During October - December 2007 and March - April 2008, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of ONEOK NGL Pipeline, LP (ONEOK or Respondent), relating to its Overland Pass Pipeline construction project in Colorado and Kansas.<sup>1</sup> ONEOK operates approximately 3,500 miles of natural gas liquids and distribution pipelines in Oklahoma, Kansas, Nebraska, Missouri, Iowa, Illinois and Texas, as well as eight NGL storage terminals in Missouri, Nebraska, Iowa, and Illinois.<sup>2</sup>

As a result of the inspection, the Director, Central Region, OPS (Director), issued to Respondent, by letter dated August 12, 2009, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that ONEOK had violated 49 C.F.R. § 195.561(a) and proposed ordering Respondent to take certain measures to correct the alleged violation.

ONEOK responded to the Notice by letter dated September 4, 2009 (Response). The company did not contest the allegation of violation but provided information concerning the corrective actions it planned to take. Respondent did not request a hearing and therefore has waived its right to one.

---

<sup>1</sup> Williams Field Services Company, LLC (Williams), assumed responsibility for operation of the Overland Pass Pipeline system on April 1, 2011. See letter from Cherie Humphries, General Manager, NGL Services, Williams Field Services Company, LLC, to Central Region, OPS (July 20, 2012) (on file with PHMSA).

<sup>2</sup> See <http://www.oneokpartners.com/en/Customers/NaturalGasLiquids/Pipelines.aspx> (last accessed on February 6, 2013).

## **FINDING OF VIOLATION**

In its Response, ONEOK did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 195.561(a), which states:

**§ 195.561 When must I inspect pipe coating used for external corrosion control?**

(a) You must inspect all external pipe coating required by § 195.557 just prior to lowering the pipe into the ditch or submerging the pipe.

The Notice alleged that Respondent violated 49 C.F.R. § 195.561(a) by failing to properly inspect all external pipe coating required by § 195.557 just prior to lowering the pipe into the ditch. Specifically, the Notice alleged that a PHMSA inspector witnessed ONEOK's construction personnel inspecting external pipe coating required by § 195.557 without removing shipping tape from the pipe. A ONEOK engineer performed a test by creating a holiday<sup>3</sup> in the coating and applying shipping tape over it. The holiday detector was not able to detect this holiday. Therefore, the inspection of pipe coating with shipping tape on it would not have revealed holidays which could lead to external corrosion.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.561(a) by failing to properly inspect all external pipe coating required by § 195.557 just prior to lowering the pipe into the ditch.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

## **COMPLIANCE ORDER**

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49 C.F.R. § 195.561(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. ONEOK no longer operates the Superior Unit and Williams is now responsible for the safe operations of the Overland Pass Pipeline.

The Director has indicated that Williams ran an in-line inspection (ILI) tool over the Overland Pass Pipeline, including the segments from milepost (MP) 438 to MP 459 (located in Washington and Yuma, Colorado) and from MP 591.1 to MP 626.6 (located in Sheridan, Graham, Gove, and Trego Counties, Kansas), from August 10-15, 2011, and has been taking remedial action for anomalies detected by the ILI and having significant metal loss. In addition,

---

<sup>3</sup> A coating *holiday* is a small fault, void or pinhole that permits current drainage through protective coatings on steel pipe or polymeric pre-coated corrugated steel pipe.

Williams submitted a plan for addressing corrosion and coating anomalies to the Director on July 20, 2012.<sup>4</sup>

PHMSA expects Williams to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 195.561(a) (**Item 1**), Williams is expected to complete the plan that was submitted to the Director on July 20, 2011, and to continue to communicate with the Director regarding any changes to the plan. This plan includes investigation digs, repairs, and other remedial actions, an in-line inspection in 2013, and investigations, maintenance, and upgrades to its cathodic protection program.
2. PHMSA requests that Williams submit quarterly reports to the Director including the results of the inspections and the types and dates of any repairs that are made.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

---

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

---

Date Issued

---

<sup>4</sup> Humphries, *supra* note 1.