

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 26, 2015

Mr. Vern Meier
Vice President, Operations
ANR Pipeline Company
717 Texas Avenue, Suite 2400
Houston, TX 77002

CPF 4-2015-1002W

Dear Mr. Meier:

On July 12, 2014, ANR Pipeline Company experienced an unintended release of natural gas at the Patterson Compressor station in Patterson, LA. As a result, the event was reported to the National Response Center (NRC) 1089078 with the estimated gas lost exceeding three million cubic feet.

A representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant Chapter 601 of 49 United States Code investigated the incident. As a result of the investigation, 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 violations are noted below:

1. §191.5 Immediate notice of certain incidents.

(a) At the earliest practicable moment following discovery, each operator shall give notice in accordance with paragraph (b) of this section of each incident as defined in §191.3.

ANR failed to make the proper notification to the NRC for the release on July 12, 2014. The event was first identified at approximately 03:15 local time on July 12, 2014, and confirmed minutes later at 03:40 when station personnel secured the release. ANR reported the incident to the NRC on July 14, 2014 at approximately 20:58 Eastern standard time.

In their process for reporting events in accordance with §191.5, ANR personnel use the *Rules of Thumb Gas Calculation* spreadsheet in estimating the volume of gas released. Through correspondence with PHMSA, ANR stated their personnel completed the calculation following the closure of the valve on July 12, 2014. Due to an error made during this calculation, the event was not recognized as reportable under 191.5. ANR's process defines discovery as occurring when the 'operator has adequate information to determine that an event has occurred on its pipeline that may meet the definition of an incident.' ANR had adequate

information to determine the release met the criteria for immediate notification on July 12, 2014, however due to the calculation error the incident was not reported to the NRC until two days later.

2. 192.805 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(d) Evaluate an individual if the operator has reason to believe that the individual's performance of a covered task contributed to an incident as defined in Part 191;

ANR did not implement the requirements for post incident evaluation, found in its written qualification program. Following investigation, ANR noted the incident was due to incorrect operation/failure to follow procedure. ANR's Operator Qualification program requires the suspension of operator qualification when the performance of a covered task contributed to an incident. The plan also states employees are provided an opportunity to reestablish qualification if an incident was related to the performance of a covered task. A meeting held with the technician whose actions were determined to contribute to the incident, ended with the identification of several methods to prevent event reoccurrence. However, ANR noted in correspondence with PHMSA, the applicable qualification of this company employee whose performance of a covered task contributed to the release on July 12th was not suspended or revoked.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. 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 correct the item identified in this letter. Failure to do so will result in ANR being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2015-1002W**. 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).

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration