

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

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

June 5, 2013

Mr. Richard Keyser  
Sr. Vice President of Operations  
Gulf South Pipeline, LP  
9 Greenway Plaza, Suite 2800  
Houston, Texas 77046

**CPF 4-2013-1013**

Dear Mr. Keyser:

On February 16, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, investigated a natural gas incident that occurred on February 14, 2011, at the Carthage Junction Compressor Station in Carthage, Texas.

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 violation(s) are:

1. **§192.167 Compressor stations: Emergency shutdown.**
  - (a) **Except for unattended field compressor stations of 1,000 horsepower (746 kilowatts) or less, each compressor station must have an emergency shutdown system that meets the following:**
    - (1) **It must be able to block gas out of the station and blow down the station piping.**

The Carthage Junction compressor station did not have an emergency shutdown (ESD) system designed to block gas out of the station and blow down the station piping. During the February 14, 2011, incident at Carthage Junction, the ESD system was activated but did not isolate the station and blow down the station piping. After the ESD activation, gas continued to fuel the fire from a meter station feeding the station suction inside the ESD limits. Following the 2007 addition of three new turbines and related equipment and piping to the already existing compression units, the station ESD was not reconfigured, and as a result, did not allow for the isolation of the entire station by the activation of a single ESD button.

**2. §192.605 Procedural manual for operations, maintenance, and emergencies**

**(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.**

**§192.731 Compressor stations: Inspection and testing of relief devices.**

**(c) Each remote control shutdown device must be inspected and tested at intervals not exceeding 15 months, but at least once each calendar year, to determine that it functions properly.**

Gulf South did not follow its written procedures (WI-12501) for conducting annual inspections of the ESD system at the Carthage Junction compressor station. The inspections did not identify the inability of the ESD to block gas out of the station and blow down the station piping as required by § 192.167. Two annual inspection records were reviewed for the station for 2009 and 2010; neither identified the issue with the lack of full isolation in the ESD configuration. It was confirmed in a letter from Gulf South in November 2011, that an inspection was not completed in 2009 and any findings that may have been made on the configuration issue during the 2010 inspection were not documented on the inspection form.

Proposed Civil Penalty

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. 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 \$235,600 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$112,500
2	\$123,100

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. All material submit in response to this enforcement action may be 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 4-2013-1013** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*