

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 18, 2012

Mr. Jesus Soto
Vice President, Operations Services
El Paso Natural Gas Company
1001 Louisiana Street
Houston, TX 77002

CPF 5-2012-1010W

Dear Mr. Soto:

On August 16 - 19, 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) and the Arizona Corporation Commission, pursuant to Chapter 601 of 49 United States Code, inspected El Paso Natural Gas Company's (EP) procedures for its Public Awareness Program required under 49 C.F.R. §192.616 and §195.440. Total combined pipeline mileage for both hazardous gas and liquid pipeline systems is 38,476, with only three (3) miles being in hazardous liquid pipeline service.

As a result of the inspection, it appears that EP has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

- 1. §192.616 Public awareness.**
 - (a) Except for an operator of a master meter or petroleum gas system covered under paragraph (j) of this section, each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, *see* § 192.7)...**
 - (e) The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations.**

- § 195.440 Public awareness.**
 - (a) Each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, *see* § 195.3)...**

(e) The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations.

EP did not perform the following stakeholder audience identification. EP should have conducted evaluations of its program to determine the effectiveness of stakeholder notification, including listing the counties and identifying a support facility outside the county in close proximity. EP should have also tailored their list of activities after appropriate SIC Codes (located on Page 20 of EP's Plan) and in Tables 2-3 of the RP 1162. EP also should have conducted an evaluation of its program to determine stakeholder audiences including emergency responders, public officials, and excavators at the county level. EP should also verify that a neighboring county is not in close proximity, and therefore responsible for responding.

2. §192.616 Public awareness.

(i) The operator's program documentation and evaluation results must be available for periodic review by appropriate regulatory agencies.

195.440(i) The operator's program documentation and evaluation results must be available for periodic review by appropriate regulatory agencies.

The results of EP's outreach were not documented or available for periodic review by regulatory agencies. EP should document what data is being evaluated and what metrics are being used.

3. §192.616 Public awareness.

(d) The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:

- (1) Use of a one-call notification system prior to excavation and other damage prevention activities;**
- (2) Possible hazards associated with unintended releases from a pipeline facility;**
- (3) Physical indications that such a release may have occurred;**
- (4) Steps that should be taken for public safety in the event of a pipeline release; and**
- (5) Procedures for reporting such an event.**

§195.440(d) The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:

- (1) Use of a one-call notification system prior to excavation and other damage prevention activities;**
- (2) Possible hazards associated with unintended releases from a hazardous liquid or carbon dioxide pipeline facility;**
- (3) Physical indications that such a release may have occurred;**
- (4) Steps that should be taken for public safety in the event of a hazardous liquid or carbon dioxide pipeline release; and**
- (5) Procedures to report such an event.**

EP's program message type and content was not specific enough. EP should review the recommendations included in Section 4 (Message Content) of the RP 1162 Standard. For example, markers contained in the baseline message were not specific to EP and right-of-way encroachment is not mentioned. EP did not include information about how emergency officials can access the operator's emergency response plans covering their

jurisdiction. For all stakeholders, markers contained on baseline messages were not specific to EP. They did not contain information that notified the public that EP telephone numbers are on the markers or that markers do not specify the exact location of the pipeline.

4. §192.616 Public Awareness

(c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

§195.440(c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

During the review of your program, it was noted that surveys performed by EP were not specific to stakeholder audiences, and do not match baseline material. Examples include: (1) For Affected public, a Calendar is not a choice for a method to submit messages to the public, (2) Reports of suspicious behavior is not mentioned in baseline messages, but is asked for in the survey, and EP's survey uses "yellow" as the correct answer for markers while EP uses multiple colored markers, (3) For other stakeholders, such as emergency responders, the survey asked about awareness of facilities in their community, but the baseline information provided by El Paso doesn't include this message. Overall, it does not appear El Paso adequately conducted an effectiveness evaluation, and that the survey results alone do not constitute an evaluation. Further, it does not appear that El Paso performed an evaluation of the survey results.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any 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 items identified in this letter. Failure to do so will result in El Paso Natural Gas Company being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, please send all documents to our office at 12300 West Dakota Avenue, Suite 110, Lakewood, CO 80228, and in your correspondence please refer to **CPF 5-2012-1010W**. 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,

Chris Hoidal

Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 J. Kenerson (#134440)