



U.S. Department
Of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

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

UPS OVERNIGHT DELIVERY

October 5, 2011

Mr. Larry Hjalmarson
Vice President, Safety Environmental and Integrity
Williams Gas Pipeline - TRANSCO
2800 Post Oak Blvd
Houston, TX 77056

CPF 1-2011-1015

Dear Mr. Hjalmarson:

Between August 31 and September 3, 2009, State Inspectors from the New York Department of Public Service (NY DPS), acting as Agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code, inspected Williams Gas Pipeline – TRANSCO's (Williams) pipeline facilities and records in New York City, NY.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation is:

1. §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. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year.

This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

Williams failed to follow its procedure, Corrosion Control Policy 20.08.00.07 “*External Corrosion control: Electrical Isolation,*” which requires “Maintenance of electrical isolation shall be verified by the performance of the following: ... A survey and analysis of casing-to-soil potentials to be conducted once every five years, preferably during the annual pipe-to-soil inspection.” During the inspection, Williams was requested to provide records for the survey and analysis of the casing-to-soil potentials for the three (3) identified casing locations:

1. Richmond Ave, MP 216+35;
2. Victory Blvd, MP 221+24; and
3. SIRT MP 492+00.

Williams failed to provide records or any other documentation to demonstrate that Williams conducted a survey and analysis of casing-to-soil potential as required by Williams’ corrosion control procedure pursuant to §192.467(d). In addition, Williams did not have any test station installed at the three (3) identified casing locations to initiate conducting the survey. Subsequently, Williams installed test stations and provided readings.

Therefore, Williams failed to follow its procedures, Corrosion Control Policy 20.08.00.07 “*External Corrosion control: Electrical Isolation,*” because it could not verify that Richmond Ave, MP 216+35; Victory Blvd, MP 221+24; and SIRT MP 492+00 had in fact been inspected and had not retained documentation for five (5) years pursuant to §192.491(c).

Proposed Civil Penalty

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. 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 \$50,000 as follows:

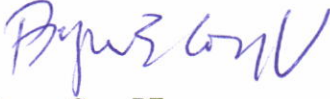
Item number	PENALTY
1	\$50,000

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. 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). 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.

Please address your correspondence on this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. Please refer to **CPF 1-2011-1015** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Cc: NY DPS

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