



U.S. Department  
of Transportation

Pipeline and Hazardous Materials  
Safety Administration

1200 New Jersey Ave., SE  
Washington, DC 20590

**OCT 14 2010**

Mr. Phillip D. Wright  
President  
Williams Gas Pipeline Company, LLC  
2800 Post Oak Boulevard  
Houston, TX 77056

**Re: CPF No. 5-2009-1003**

Dear Mr. Wright:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$192,600. It further finds that Williams Gas Pipeline Company, LLC, has completed certain actions specified in the Notice to comply with the pipeline safety regulations. The penalty payment terms are set forth in the Final Order. When the civil penalty has been paid and the remaining terms of the compliance order completed, as determined by the Director, Western 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. Chris Hoidal, Director, Western Region, PHMSA

Ms. Marie Sotak, Manager, Pipeline Safety, Williams Gas Pipeline Company, LLC  
2800 Post Oak Boulevard, Houston, TX 77056

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7009 1410 0000 2472 2841]**

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

In the Matter of	)	
Williams Gas Pipeline Company, LLC,	)	
Respondent.	)	CPF No. 5-2009-1003

**FINAL ORDER**

From June through August 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 Williams Gas Pipeline Company, LLC (Williams or Respondent), in Georgia, Idaho, New Jersey, Texas, Utah, and Washington. Respondent, a subsidiary of The Williams Companies, Inc., owns and operates over 14,000 miles of gas transmission and gathering lines across the United States, including the Northwest Pipeline, the Transcontinental (Transco) Pipeline, and the Gulfstream Pipeline.

As a result of the inspection, the Director, Western Region, OPS, issued to Respondent, by letter dated April 20, 2009, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Williams had committed various violations of 49 C.F.R. Part 192 and proposed assessing a civil penalty of \$192,600 for the alleged violations. The Notice also proposed ordering Respondent to take certain measures to correct the alleged violations.

Williams responded to the Notice by letter dated May 19, 2009 (Response). Williams contested several of the allegations and contended that certain penalties should be eliminated. Respondent also requested a hearing. In accordance with 49 C.F.R. § 190.211, a hearing was held on October 6, 2009, in Lakewood, Colorado, with an attorney from the Office of Chief Counsel, PHMSA, presiding. After the hearing, Respondent provided additional written material for the record, by letter dated November 2, 2009 (Closing).

**FINDINGS OF VIOLATION**

The Notice alleged that Respondent committed violations of 49 C.F.R. Part 192, as follows:

**Uncontested Items**

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 192.323(d), which states:

**§ 192.323 Casing.**

Each casing used on a transmission line or main under a railroad or highway must comply with the following:

(a) . . . .

(d) If vents are installed on a casing, the vents must be protected from the weather to prevent water from entering the casing.

The Notice alleged that Respondent violated 49 C.F.R. § 192.323(d) by failing to protect casing vents from the weather to prevent water from entering the casing. Specifically, the Notice alleged that certain plastic casings in the Spokane North District were broken, which could allow water to enter the casing. In its Response and at the hearing, Respondent did not contest this allegation of violation. Accordingly, based upon a review of the evidence, I find that Respondent violated 49 C.F.R. § 192.323(d) by failing to protect casing vents from the weather.

**Item 3:** The Notice alleged that Respondent violated 49 C.F.R. § 192.463(a), which states:

**§ 192.463 External corrosion control: Cathodic protection.**

(a) Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria.

The Notice alleged that Respondent violated 49 C.F.R. § 192.463(a) by failing to have a cathodic protection system that complied with one or more of the applicable criteria at the Franklin PUD, Spokane West, and Kettle Falls meter stations and at Mile Post (MP) 9747+36. Specifically, the Notice alleged that, for two consecutive years, the company's cathodic protection system at those four specific locations did not have a negative voltage of at least 850 mV. In its Response and at the hearing, 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. § 192.463(a) by failing to have a cathodic protection system at those four locations that complied with one or more of the applicable criteria contained in appendix D of Part 192.

**Item 4:** The Notice alleged that Respondent violated 49 C.F.R. § 192.463(a), as quoted above, by failing to have a cathodic protection system that complied with one or more of the applicable criteria at eleven locations in the Redmond District. Specifically, the Notice alleged that, for two consecutive years, the company's cathodic protection system at those locations did not have a negative voltage of at least 850 mV. In its Response and at the hearing, 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. § 192.463(a) by failing to have a cathodic protection system at those 11 locations that complied with one or more of the applicable criteria contained in appendix D of Part 192.

**Item 9:** The Notice alleged that Respondent violated 49 C.F.R. § 192.706(a), which states:

**§ 192.706 Transmission lines: Leakage surveys.**

Leakage surveys of a transmission line must be conducted at intervals not exceeding 15 months, but at least once each calendar year. However, in the case of a transmission line which transports gas in conformity with § 192.625 without an odor or odorant, leakage surveys using leak detector equipment must be conducted—

(a) In Class 3 locations, at intervals not exceeding 7½ months, but at least twice each calendar year . . . .

The Notice alleged that Respondent violated 49 C.F.R. § 192.706(a) by failing to conduct leakage surveys of an odorless gas transmission line in a Class 3 location at the required frequency. Specifically, the Notice alleged that Williams failed to conduct four required surveys of such a line in Texas between 2006 and 2008. In its Response and at the hearing, 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. § 192.706(a) by failing to conduct leakage surveys of a transmission line in a Class 3 location at the required frequency.

**Pipeline Repair Items**

Items 5, 6, and 7 in the Notice alleged that Respondent committed violations of 49 C.F.R. § 192.605(a) when it performed certain pipeline repairs. The regulation states:

**§ 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 once 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.

**Item 5:** The Notice alleged that Respondent violated 49 C.F.R. § 192.605(a) by failing to follow its written procedures for using composite sleeves for pipeline repairs. Specifically, the Notice alleged that Williams violated its operations and maintenance (O&M) procedures by using a Clock Spring sleeve to repair a crack on the Transco Pipeline at MP 1828.139–1828.143 in New Jersey.<sup>1</sup> Paragraph 5.1.4 of Procedure 70.14.01.15 in the company’s operations manual provides, “CAUTION: Do not use composite sleeves to repair leaking defects or cracking.” Paragraph 6.1.7.1 of the same procedure provides, “Do not use composite sleeves to repair leaks, cracks, or weld imperfections.” The Notice alleged that Williams identified a crack on the Transco

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<sup>1</sup> Respondent referred to this repair as “Dig # 6.”

Pipeline while repairing two gouges, and that the company used a Clock Spring composite sleeve to repair the crack, in violation of its procedures.<sup>2</sup>

At the hearing and in its Closing, Respondent indicated that “Williams is in agreement that it violated written O&M procedures by applying a composite [sleeve] repair to a crack like indication caused from third party damage to the pipeline.”<sup>3</sup> The company also provided information that it has since removed the Clock Spring repair and replaced it with new piping.

Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.605(a) by failing to follow its procedures by repairing a crack at MP 1828.139–1828.143 with a Clock Spring composite sleeve.

**Item 6:** The Notice similarly alleged that Respondent violated 49 C.F.R. § 192.605(a) by using a Clock Spring sleeve to repair a weld imperfection on the Transco Pipeline at MP 1829.836.<sup>4</sup> As noted above, Respondent’s Procedure 70.14.01.15 prohibits the use of composite sleeves to repair weld imperfections.

At the hearing and in its Closing, Williams contested this allegation of violation on the grounds that the defect it repaired using a Clock Spring did not constitute a crack or “weld imperfection” as that term is defined in API Standard 1104.<sup>5</sup> Williams explained that it had originally excavated the pipe at this location to examine and repair corrosion defects, and while in the ditch, a technician identified what appeared to be possible incomplete fusion or a crack. In its Closing, Respondent stated that it now believes the defect was most likely incomplete fusion, not cracking, and that the defect was so small that it did not meet the company’s repair policy specified in O&M Policy 90.12.00.03.<sup>6</sup> That policy, Williams contended, stated that the company would repair or remove any in-service weld that is found to be unacceptable according to API Standard 1104, which is a consensus standard that specifies incomplete fusion shall be considered a defect if its length exceeds one inch.<sup>7</sup> For this reason, Respondent contended, the defect was not a “crack or weld imperfection,” and the company did not violate its procedures by installing a composite sleeve. The company also provided information that it has since removed the Clock Spring repair and replaced it with new piping.

The evidence in the record includes section 6.1.7.1 of Respondent’s Procedure 70.14.01.15, which, as noted above, states: “Do not use composite sleeve to repair leaks, cracks, or weld imperfections.”<sup>8</sup> The evidence also includes Form WGP-0092, “WGP Pipeline Inspection and Repair Report - 2006-TR-1170,” dated February 23, 2007, which Williams used to document the

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<sup>2</sup> Clock Spring® composite sleeves, also known as wraps, are used to repair corrosion defects and mechanical damage on the pipe. The composite sleeve operates by transferring the hoop stress from the defect to the sleeve. Wraps are not typical candidates for leaking defects and cracking because they do not provide a seal for the leak and do not address the risk of a crack spreading.

<sup>3</sup> Closing at 1.

<sup>4</sup> Respondent referred to this repair as “Dig # 14.”

<sup>5</sup> American Petroleum Institute (API) Standard 1104, “Welding of Pipelines and Related Facilities.”

<sup>6</sup> Closing at 2.

<sup>7</sup> See Section 9.3.4 of API Standard 1104.

<sup>8</sup> Violation report at 42.

investigation and repair of the defect.<sup>9</sup> On the form, Williams noted the areas of general corrosion on the pipe and “also through the weld # 6890 @9:30 found a .120" wall loss with a Incomplete Fussion [*sic*] or crack like indication,” noting further that “Clock springs were then installed.” On the associated Defect Report, Williams further identified the defect under “Defect Record #2,” where the company noted the type was “Weld Defect.” With regard to whether a “Repair [was] Required,” Williams indicated “Yes.”<sup>10</sup> The method of repair was recorded as a “Sleeve – Composite.” Also included in the record are color pictures of the defect.

While Williams has contended that it believes the defect at issue was not cracking or a weld imperfection longer than one inch, there is a lack of conclusive evidence demonstrating the size of the weld imperfection or that the defect was indeed not cracking. On the other hand, Respondent’s own records indicate that the defect was cracking or a weld imperfection resulting from incomplete fusion, that it was required to be repaired, and that a composite sleeve was used to make the repair.

Ultimately, however, the size of the defect or whether it met the definition of a defect in API Standard 1104 is not the determinative factor. That is because the language of Respondent’s repair procedure 70.14.01.15, section 6.1.7.1, prohibits the use of composite sleeves to repair cracks and weld imperfections, without any reference to defect size or other industry standard or company policy. Neither the applicable safety regulations nor the company’s repair procedure 70.14.01.15, section 6.1.7.1, had adopted (or referenced) API Standard 1104 or even suggested that the prohibitions relating to the use of composite sleeves are to be interpreted with reference to that standard. Furthermore, Williams had already determined the weld imperfection required repair, and thus the API Standard did not overrule the company’s decision.<sup>11</sup> Therefore, it is inconsequential that the company had a policy of repairing defects meeting the API standard, because its repair procedure was not conditioned on that standard, and Williams still determined that the weld imperfection was required to be repaired. The evidence in the record also indicates that Williams did not consult the applicable procedures when deciding to repair the defect using a composite sleeve.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 192.605(a) by failing to follow its procedures when it used a composite sleeve to repair a weld imperfection at MP 1829.836.

**Item 7:** The Notice further alleged that Respondent violated 49 C.F.R. § 192.605(a) by using a Clock Spring sleeve to repair a weld imperfection on the Transco Pipeline at MP 1827.950.<sup>12</sup> As noted above, Respondent’s Procedure 70.14.01.15 prohibits the use of composite sleeves to repair weld imperfections.

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<sup>9</sup> Violation report at 58.

<sup>10</sup> Violation Report at 60.

<sup>11</sup> See Section 9.2 of API Standard 1104, which states: “The company may therefore reject any weld that appears to meet these acceptance standards if, in its opinion, the depth of an imperfection may be detrimental to the weld.”

<sup>12</sup> Respondent referred to this repair as “Dig # 5.”

At the hearing and in its Closing, Williams contested this allegation of violation on the same grounds as Item 6, namely, that the defect did not constitute a crack or “weld imperfection,” as that term is defined in API Standard 1104. Williams gave a similar account that the location had been excavated to repair general corrosion, but that a technician also identified possible incomplete fusion or a crack. In its Closing, Respondent stated that it believes the defect was most likely incomplete fusion that did not meet the repair policy specified in O&M Policy 90.12.00.03 or API Standard 1104. For this reason, Respondent contended that it did not violate its procedures by installing a composite sleeve. The company also provided information that it has since removed the Clock Spring repair and replaced it with new piping.

The evidence in the record includes Form WGP-0092, “WGP Pipeline Inspection and Repair Report - 2006-TR-1168,” dated February 23, 2007, which Williams used to document the investigation and repair of the defect.<sup>13</sup> On the form, Williams noted the areas of general corrosion on the pipe and that it “found a crack like indication or Incomplete Fussion [*sic*] on G/W #3030 and Clock Springs were installed which also covered the areas of Corrosion that were in question.” On the associated Defect Report, Williams further identified the defect under “Defect Record #1,” where it noted the defect type was “Cracking.” With regard to whether a “Repair [was] Required,” Williams indicated “Yes.”<sup>14</sup> The method of repair was recorded as a “Sleeve – Composite.” In a follow-up email from the technician, he stated that incomplete fusion was the likely defect. Also included in the record are color pictures of the defect.

As with Item 6, there is a lack of conclusive evidence demonstrating the defect was indeed not cracking or a weld imperfection longer than one inch. Respondent’s own records indicate that the defect was required to be repaired, and that it was repaired using a composite sleeve. Ultimately, as noted above, it is inconsequential that the company had a policy of repairing defects meeting the API standard, because the company’s actual repair procedure 70.14.01.15, section 6.1.7.1, prohibited the use of composite sleeves for cracks and weld imperfections without regard to the API standard, and furthermore, Williams had determined that the weld imperfection required repair.

Accordingly, after considering all of the evidence and the legal issues presented, I find that Respondent violated 49 C.F.R. § 192.605(a) by failing to follow its procedures when it used a composite sleeve to repair a weld imperfection at MP 1827.950.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

### **ASSESSMENT OF PENALTY**

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$100,000 per violation for each day of the violation, up to a maximum of \$1,000,000 for any related series of violations.

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<sup>13</sup> Violation report at 68.

<sup>14</sup> Violation Report at 72.

In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; the Respondent's ability to pay the penalty and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require.

The Notice proposed a total civil penalty of \$192,600 for Items 5, 6, and 7 (\$64,200 for each).

In its Response, Williams objected to "the assessment of three separate penalties for essentially the same violation" and asked that two of the three proposed penalties be eliminated. At the hearing, Williams repeated this argument and listed the factors that, in its view, supported a conclusion that the three violations were "essentially the same": 1) the three defects repaired using Clock Springs were identified during the same inline inspection; 2) the Clock Springs were applied to segments of the same pipeline; 3) the repairs to the segments were carried out as a result of a single decision by Williams; 4) Williams ordered the three Clock Springs at the same time; and 5) the segments were repaired at nearly the same time.

At the hearing, OPS contended that the violations should not be considered the same offense, because the repairs were made in separate locations and at separate times.

As a legal matter, PHMSA is not precluded from assessing separate civil penalties for multiple violations that involve the same subject matter, so long as the penalties do not violate the maximum amounts established by Congress.<sup>15</sup> Administrative civil penalty assessments by PHMSA are governed by the following provision of 49 U.S.C. § 60122(a)(1):

A person that the Secretary of Transportation decides, after written notice and an opportunity for a hearing, has violated section 60114(b), 60114(d), or 60118(a) of this title or a regulation prescribed or order issued under this chapter is liable to the United States Government for a civil penalty of not more than \$100,000 for each violation. A separate violation occurs for each day the violation continues. The maximum civil penalty under this paragraph for a related series of violations is \$1,000,000.

As set forth previously by this agency, certain violations in a Notice of Probable Violation may be so related that they constitute a single offense for which the agency should not assess combined penalties exceeding the applicable cap. In determining whether two or more violations are so closely related, PHMSA's decision in *Colorado Interstate Gas* evaluated "whether each [Notice Item] can stand alone and has its own evidentiary basis, or whether any two or more are so closely related (i.e., same evidentiary basis) that they are not separate and should be considered one violation for purposes of applying the [penalty cap]."<sup>16</sup>

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<sup>15</sup> *In the Matter of Enbridge Energy Partners, L.P.*, Final Order, CPF No. 3-2008-5011, at 14-15 (Aug. 17, 2010) (cases are available online at <http://www.phmsa.dot.gov/pipeline/enforcement>).

<sup>16</sup> *In the Matter of Colorado Interstate Gas Co.*, Final Order, CPF 5-2008-1005, 2009 WL 5538649, at 12 (Nov. 23, 2009).



In this case, the three Clock Spring repairs using composite sleeves were applied to three different locations on the pipeline to repair distinct and separate defects. Although the violations share the same evidence of the procedure that was violated, each item is based on separate evidence specific to the defect that was repaired and the act of repairing the defect using a composite sleeve. The fact that Williams excavated the three locations based on information obtained from a single inline inspection, that Williams ordered all the Clock Springs at the same time, or that the repairs were carried out as a result of a single decision by Williams does not make these violations a single offense. Furthermore, I note that even if all three were considered one “related series of violations,” the total civil penalty proposed (\$192,600) does not exceed the statutory maximum of \$1,000,000. Accordingly, I find that Items 5, 6, and 7 constituted separate violations of § 192.605(a), and that they should be considered separate violations for penalty purposes.

Williams is culpable for the violations, meaning the company, as the operator of the pipeline, bears the blame for its violations of the unambiguous regulation, which requires the company to follow its written procedures for maintaining the pipeline.

I have considered the company’s history of prior offenses, including the Final Order issued by PHMSA on July 30, 2007, which assessed a civil penalty of over \$590,000 for violations that resulted in a pipeline incident in a populated area that forced the evacuation of more than 850 schoolchildren and area residents.<sup>17</sup> The history of prior offenses does not warrant reducing the proposed civil penalty in this case.

Since Respondent did not provide any evidence suggesting the company is unable to pay the proposed civil penalty, I find Respondent is able to pay the proposed penalty without adversely affecting its ability to continue in business.

In addition, I have considered any good faith in attempting to comply, but find that Williams did not demonstrate that it had consulted the company’s procedures before deciding to repair the crack and weld imperfections using composite sleeves.

**Item 5:** The Notice proposed a civil penalty of \$64,200 for Respondent’s violation of 49 C.F.R. § 192.605(a). This violation occurred when Williams failed to follow its procedures for repairing a crack on its pipeline at MP 1828.139–1828.143. The failure to follow such repair procedures created a safety risk, because installation of composite sleeves do not normally address the propensity for a crack to spread and would not provide sufficient protection from a leak. The repair location is in a high consequence area and Class 3 location.

With respect to Items 5, 6, and 7, Williams argued that the use of Clock Springs did not pose an integrity or safety threat and provided evidence suggesting that Clock Springs may be appropriate for repairing some pipeline cracks and weld imperfections. This evidence largely consisted of materials issued by the manufacturer of Clock Springs. Notwithstanding this evidence, which is not conclusive, the operator’s adherence to its written procedures is vital to ensuring pipeline safety. This is particularly true in relation to procedures governing pipeline repairs.

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<sup>17</sup> *In the Matter of Williams Gas Pipeline - Transco*, Final Order, CPF 1-2005-1007, 2007 WL 2475903 (Jul. 30, 2007).

Fortunately, the violations described in Items 5, 6, and 7 did not result in any incidents and the company has removed and replaced the sections of pipe containing the defects and composite sleeves. Respondent also indicated at the hearing that it operates the pipeline at less than maximum allowable operating pressure. However, pipeline cracks and weld imperfections – and improper repair of such defects – can still cause pipeline failures and natural gas releases. All three of the violations took place in high consequence areas and Class 3 locations, and a release of natural gas would likely have caused adverse impacts on nearby populations and the environment. For this reason, I find the nature, circumstances, and gravity of the violation justify the proposed civil penalty.

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$64,200 for the violation of 49 C.F.R. § 192.605(a) in Item 5.

**Item 6:** The Notice proposed a civil penalty of \$64,200 for Respondent's violation of 49 C.F.R. § 192.605(a). This violation occurred when Williams failed to follow its procedures for repairing a weld imperfection on its pipeline at MP 1829.836.

Williams argued that it was not required to repair the weld imperfections that are the subject of Items 6 and 7, and that it should not be penalized for taking extra precautions. At the time the repairs were made, however, Williams had determined that the repairs were necessary, and failed to consult its procedures that specified that sleeves were not to be used for such repairs. While it may be true that the weld imperfections were relatively small in size, the fact remains that the pipeline defects were improperly repaired based on the company's procedures. Carrying out repairs safely is a vital part of ensuring the integrity of a pipeline system, and adherence to a company's repair procedures is just as important in the context of repairs considered relatively minor. Therefore, the fact that the company violated its procedures in the course of repairing defects that are now considered relatively minor does not alter the nature or circumstances of the violations. Based on the foregoing, the nature, circumstances, and gravity of the violations support the proposed penalties.

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$64,200 for the violation of 49 C.F.R. § 192.605(a) in Item 6.

**Item 7:** The Notice proposed a civil penalty of \$64,200 for Respondent's violation of 49 C.F.R. § 192.605(a). This violation occurred when Williams failed to follow its procedures for repairing a weld imperfection on its pipeline at MP 1827.950. For all of the reasons set forth above, I find the nature, circumstances, and gravity of the violations support the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$64,200 for the violation of 49 C.F.R. § 192.605(a) in Item 7.

In summary, having reviewed the record and considered the assessment criteria for each of the Items above, I assess Respondent a total civil penalty of **\$192,600**.

Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 C.F.R. § 89.21(b)(3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be

directed to: Financial Operations Division (AMZ-341), Federal Aviation Administration, Mike Monroney Aeronautical Center, P.O. Box 269039, Oklahoma City, Oklahoma 73125. The Financial Operations Division telephone number is (405) 954-8893.

Failure to pay the \$192,600 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

### **COMPLIANCE ORDER**

The Notice proposed a compliance order with respect to Items 1, 3, 4, 5, 6, 7, and 9 in the Notice for the above violations. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director has indicated that Respondent has taken the following actions to address some of the cited violations:

With respect to the violation of § 192.323(a) (**Item 1**), Respondent has replaced the broken casing vents and has inspected and remediated, as necessary, all of the installed casings in Spokane North and South districts. Respondent has also submitted documentation to this effect.

With respect to the violation of § 192.463(a) (**Item 3**), Respondent has tested, evaluated, and, where necessary, enhanced its cathodic protection system at the subject area to comply with the Appendix D criteria, and has submitted documentation to this effect.

With respect to the violations of § 192.605(a) (**Items 5, 6, and 7**), Williams has repaired the pipeline defects by removing the damaged segments and replacing them with new pipe, and has submitted documentation to this effect.

Accordingly, I find that compliance has been achieved with respect to these violations. Therefore, the compliance terms proposed in the Notice for Items 1, 3, 5, 6, and 7 are not included in this Order.

As for the remaining compliance terms, pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 192.463(a) (**Item 4**), Respondent must test, evaluate, and, where necessary, enhance its cathodic protection system at the subject area to comply with the Appendix D criteria, and submit to PHMSA documentation to this effect within 180 days of receipt of this Final Order.
2. With respect to the violation of § 192.706(a) (**Item 9**), Respondent must conduct a leak survey of the Class 3 area between MP 328 and MP 328.5, and must submit to PHMSA the results of this survey and any mitigation plans within 90 days of receipt of this Final Order.

3. Complete each of the above items and submit documentation of compliance to the Director, Western Region, Office of Pipeline Safety, 12300 W. Dakota Ave. #110, Lakewood, CO 80228.
4. Maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and report the total cost as follows: (a) total cost associated with preparation and revision of plans and procedures, and performance of studies and analyses; and (b) total cost associated with physical changes, if any, to the pipeline infrastructure, including replacements and additions.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in administrative assessment of civil penalties not to exceed \$100,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

### WARNING ITEMS

With respect to Items 2, 8, and 10, the Notice alleged probable violations of Part 192 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 192.463(a) (**Item 2**) – Respondent’s alleged failure to provide adequate cathodic protection in Districts 120 and 130 of the Atlanta Division. Specifically, the Notice alleged that Respondent’s use of “reference cell placement,” as described in its written Procedure 20.06.02.06, did not properly consider the effects of “IR drop” to ensure a valid interpretation of the criteria set forth in § 192.463(a);

49 C.F.R. § 192.605(a) (**Item 8**) – Respondent’s alleged failure to follow its procedures for performing root cause failure analysis; and

49 C.F.R. § 192.905(a) (**Item 10**) – Respondent’s alleged failure to accurately identify a Class 3 high consequence area in its pipeline system.

Williams presented information in its Response showing that it had taken certain actions to address the cited items. Accordingly, having considered such information, I find, pursuant to 49 C.F.R. § 190.205, that probable violations of §§ 192.463(a) (Notice Item 2), 192.605(a) (Notice Item 8), and 192.905(a) (Notice Item 10) have occurred and Respondent is hereby advised to correct such conditions as necessary. If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

Under 49 C.F.R. § 190.215, Respondent has a right to submit a Petition for Reconsideration of this Final Order. The petition must be sent to: Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. PHMSA

will accept a petition received no later than 20 days after receipt of this Final Order by the Respondent, provided it contains a brief statement of the issue(s) and meets all other requirements of 49 C.F.R. § 190.215. The filing of a petition automatically stays the payment of any civil penalty assessed. All other terms of the order, including any required corrective action, shall remain in full force and effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.



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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

**OCT 14 2010**

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Date Issued