



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

WARNING LETTER

CERTIFIED - RETURN RECEIPT REQUESTED

June 15, 2009

Mr. Pete Kirsch
Sr. Vice President, Pipeline Operations & Engineering
Centerpoint Energy
1111 Louisiana, Suite 1120
Houston, TX 77002

CPF 4-2009-1017W

Dear Mr. Kirsch:

During the week of April 20, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southwest Region, pursuant to Chapter 601 of 49 United States Code, conducted pipeline safety inspections of facilities and records in Centerpoint's Enid Unit in Oklahoma and Kansas.

As a result of the inspections, it appears that you have committed probable violations as noted below of pipeline safety regulations Title 49, Code of Federal Regulations, Part 192. The items inspected and the probable violation is:

1. §192.179 Transmission Line Valves

(b)(1) The valve and the operating device to open or close the valve must be readily accessible and protected from tampering and damage.

During the inspections it was noted that Centerpoint's preferred method of complying with 192.179(b)(1) is to install locked chain link fencing around the valves. This was evident in the two Centerpoint units that have been inspected so far in 2009, where the majority of above ground valves were located in locked chain link fences. Some of the remaining valves in those units that were not fenced were located below grade in locked metal boxes,

but other valves were located above ground with no fences. The number of above ground valves that were observed without proper fencing by the inspector on the Enid Unit exceeded ten, and the lack of fencing was pointed out to Centerpoint personnel at the time of the inspection. It should be pointed out that all of the unfenced valves were chain locked and most had steel barricade posts installed.

§197.179 is a design requirement for valves installed after March 12, 1971. It is PHMSA's understanding that only a small number of valves in the Enid Unit were installed since the effective date. Centerpoint should review their program, procedures, and facilities to ensure they are compliant with this regulation.

2. §192.605 Procedural Manual for Operations, Maintenance, and Emergencies

§192.605(a) Requires that each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. Additionally:

§192.625(f) Requires that to assure the proper concentration of odorant in accordance with this section, each operator must conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable.

Centerpoint failed to follow their procedures to conduct quarterly sampling of combustible gases to determine the percentage of gas in air at which the odor becomes readily detectable. Centerpoint took over the sampling activities for this unit from Centerpoint Distribution in late 2007, slightly over a year prior to the PHMSA inspection. Sampling records examined for the Enid Unit during the recent inspection show that Centerpoint is sampling at least four times a year and about five times per year on average, but not quarterly as per their procedures. Some sampling is done every two months and some sampling is done almost four months apart. Centerpoint personnel were informed during the inspection of this problem. After the problem was made known to them, they traced the problem to their Maximo computer data system, which provides reminders to field personnel to do the sampling based on work orders for the unit and not O&M procedures. This results in not meeting the quarterly requirement for some samplings. Field personnel agreed to make immediate corrections to their system to meet the quarterly sampling requirement.

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 violations persists up to a maximum of \$1,000,000 for any related series of violations. With respect to these items, 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 promptly correct these items. Be advised that failure to do so may result in Centerpoint being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, please refer to **CPF 4-2009-1017W** in your correspondence. 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