



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 S. Gessner, Suite 630
Houston, TX 77074

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 29, 2016

Ms. Stephanie Timmermeyer
Vice President, Safety & Regulatory Compliance
Williams Partners, L.P.
525 Central Park Drive
Oklahoma City, OK 73105

CPF 4-2016-1008

Dear Ms. Timmermeyer:

On October 8, 2015, the Station 62 Facility at Bayou Black, LA operated by Transcontinental Pipeline Company, LLC (Transco), a subsidiary of Williams Partners, L.P., experienced a reportable incident that resulted in a series of explosions, fire, four fatalities, two injuries, evacuations of nearby residences and closure of a state highway. Representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS) Southwest Region (SWR), responded to the site and initiated an investigation into events surrounding the incident. In conjunction with the incident investigation and pursuant to Chapter 601 of 49 United States Code, PHMSA inspected your procedures, records and pipeline facilities that were involved in the incident from October 9, 2015 through May 26, 2016.

As a result of the investigation and inspection, 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 violations are:

1. §191.5 Immediate notice of certain incidents.

(a) At the earliest practicable moment following discovery, each operator shall give notice in accordance with paragraph (b) of this section of each incident as defined in §191.3.

(b) Each notice required by paragraph (a) of this section must be made to the National Response Center either by telephone to 800-424-8802 (in Washington, DC, 202 267-2675) or electronically at <http://www.nrc.uscg.mil> and must include the following information:

- (1) Names of operator and person making report and their telephone numbers.**
- (2) The location of the incident.**
- (3) The time of the incident.**
- (4) The number of fatalities and personal injuries, if any.**
- (5) All other significant facts that are known by the operator that are relevant to the cause of the incident or extent of the damages.**

The operator failed to provide all significant facts relevant to the extent of the incident when it gave notice to the National Response Center (NRC). At approximately 11:00 am on October 8, 2015, an explosion and fire occurred at the Transco Compressor Station 62 facility near Gibson, Louisiana. Transco made a telephonic notice to the NRC (Report Number 1130404) at 12:06 p.m., local time, but failed to include all significant facts regarding the reportable event including the number of fatalities and personal injuries. Media reports released as early as 11:32 a.m. included information indicating that at least one fatality and four injuries had occurred, and it was known to the operator that injuries and at least one fatality had occurred at the time the report was filed with the NRC.

2. §192.751 Prevention of accidental ignition.

Each operator shall take steps to minimize the danger of accidental ignition of gas in any structure or area where the presence of gas constitutes a hazard of fire or explosion, including the following:

- (b) Gas or electric welding or cutting may not be performed on pipe or on pipe components that contain a combustible mixture of gas and air in the area of work.**

The operator failed to take adequate steps to minimize the danger of accidental ignition of gas in an area where the presence of gas during welding constituted a combustion hazard. On October 8, 2015, Transco failed to stop work when gas was detected inside the 42-inch liquids header and allowed welding to start when a combustible mixture of gas and air existed within the 42-inch liquids header of the slug catcher caused a series of explosions and fire that resulted in a reportable incident.

3. §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.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

The operator failed to follow its Hot Work procedure, *WilSOP Safety Manual Procedure 640.05 – Hot Work*, to require training for all employees supervising or issuing Hot Work Permits. On October 8, 2015, Transco allowed contractor personnel to assume the safety and monitoring responsibilities without the prerequisite training, and without oversight by trained operator personnel as required by its Hot Work Procedure 640.05.

4. §192.805 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

- (a) Identify covered tasks;**
- (b) Ensure through evaluation that individuals performing covered tasks are qualified;**
- (c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified;**

The operator failed to follow its written Operator Qualification Plan in four instances to include: 1) allowing unqualified personnel to perform Covered Tasks (Atmospheric Monitoring), 2) failing to identify and verify the applicable Covered Tasks for contractor personnel for the Request for Service (RFS) covering the work being performed at the time of the accident; 3) failing to ensure contractor personnel were properly qualified for the covered tasks being performed; and 4) failing to have a Covered Task for the *Installation and Use of Vapor Barriers*.

5. §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.

(b) **Maintenance and normal operations.** The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) **Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.**

The operator failed to follow its Williams *WilsOP Operations & Maintenance Manual Procedure 10.22.02- Gas Handling Plans* by not developing a detailed purge plan for the complex purging of the slug catcher with engineering support and District Manager approval to ensure a safe purge, as required by Section 2.40 of the procedure.

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 violations and has recommended that you be preliminarily assessed a civil penalty of **\$1,600,000** as follows:

| <u>Item number</u> | <u>PENALTY</u> |
|--------------------|----------------|
| 1 | \$ 200,000 |
| 2 | \$ 200,000 |
| 3 | \$ 400,000 |
| 4 | \$ 400,000 |
| 5 | \$ 400,000 |

Proposed Compliance Order

With respect to items 1 through 5, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Transco. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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 you 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 4-2016-1008** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Transco, a Compliance Order incorporating the following remedial requirements to ensure the compliance of Transco with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to Transco's failure to provide the number of fatalities and personal injuries to the NRC, Transco must revise its incident reporting requirements procedures to include instructions that personnel making reports to the NRC must provide the information required by §195.5(b)(4).

This item is to be submitted to PHMSA, SW Region within 30 days of the date of the Final Order containing this Compliance Order (Final Order).

2. In regard to Item Number 2 of the Notice pertaining to Transco's failure to take adequate steps to minimize the danger of accidental ignition, Transco must review its operating and maintenance procedures and identify changes to ensure that the requirements of its Preventing Accidental Ignition are clearly aligned with the requirements of its Hot Work Policy, Gas Handling Plans and their associated Training Blocks and that they clearly cross reference the applicable sections of its Operator Qualification Plan and Training Plan. The changes intended to correct the deficiencies in the Prevention of Accidental Ignition processes shall be submitted to PHMSA, SW Region for review and concurrence prior to their implementation.

The proposed changes shall be submitted to PHMSA, SW Region within 120 days of the date of the Final Order, and the Final Implementation shall be completed within 180 days of the date of the Final Order, or 30 days after concurrence from PHMSA, SW Region, whichever is later.

3. In regard to Item Number 3 of the Notice pertaining to Transco's failure to follow its Hot Work Procedure, Transco shall incorporate the requirements of the Covered Task for Atmospheric Monitoring into its Hot Work Procedures and ensure that the roles and responsibilities are clearly delineated for operator and contractor roles to ensure that only trained and qualified personnel issue and supervise Hot Work. Transco shall develop a training plan to carry out the instruction and implementation of the revised procedures and submit it along with the revised procedures to PHMSA, SW Region prior to carrying out the training for review and concurrence of the revisions and the training content.

The revised procedure shall be submitted to PHMSA, SW Region within 60 days of the date of the Final Order, and the training carried out no later than 180 days after the date of the Final Order, or 30 days after concurrence from PHMSA, SW Region, whichever is later.

4. In regard to Item Number 4 of the Notice pertaining to Transco's failure to follow its Operator Qualification Plan (OQ Plan), Transco shall complete the following tasks:

- a) Create a process to ensure that the identification of covered tasks for project and contract work is reviewed for accuracy and completeness prior to the issuance of

the RFS to verify the covered tasks have been properly identified by personnel having knowledge and experience with the operator's OQ Plan, and the scope of the project.

b) Develop training materials on the proper identification and selection of covered tasks for personnel having responsibility for the development of project documents that include Request for Services. The training shall include information about the operator's OQ Plan, Covered Tasks, the process developed under Item 3a, and verification of contractor work force personnel's qualifications prior to the performance of covered tasks.

This Item shall be completed no later than 180 days after the date of the Final Order.

5. In regard to Item Number 5 of the Notice pertaining to Transco's failure to follow its Gas Handling Plan procedure, Transco shall complete the following tasks:

a) Revise the Gas Handling Plan Procedure 10.22.02 to define what constitutes a "Complex Purge," clarify when an engineered purge plan is required, and what steps must be taken when to perform an "Engineered Purge Plan."

b) Identify and review any pending projects developed prior to the implementation of Item 4a to ensure that all current purge plans have received adequate review and adhere to the process developed in Item 4a.

This Item shall be completed no later than 180 days after the date of the Final Order.

6. It is requested (not mandated) that Transco maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.