

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

OVERNIGHT EXPRESS DELIVERY

April 13, 2023

Ms. Ginger Richman
President
Adelphia Gateway, LLC
1416 Wyckoff Road
PO BOX 1464
Wall, New Jersey 07719

CPF 1-2023-022-NOPV

Dear Ms. Richman:

From April 4th, 2022, through August 17th, 2022, of the on-site inspection, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Adelphia Gateway, LLC's (Adelphia) pipeline facilities from Quakertown, PA to Martins Creek, PA.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

- 1. § 192.481 Atmospheric corrosion control: Monitoring.**
 - (a) ...**
 - (c) If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by § 192.479.**

Adelphia failed to provide protection against atmospheric corrosion found. Specifically, atmospheric corrosion first identified in 2018 were not protected against the corrosion.

During the inspection, PHMSA conducted field observations at the Columbia Interchange in Northampton County, PA. Two valves were observed to be subject to atmospheric corrosion at that location: the G-11 valve, and the unnumbered valve which is the test point for odorization (the unnumbered valve). In the 2018 Atmospheric Inspection Report, both the G-11 valve, and the unnumbered valve were documented to be corroded. Remediation subsequent to the 2018 Atmospheric Inspection was documented in a report titled *Remediation Conducted per the 2018 Atmospheric Corrosion Report* conducted by Integrity Solutions, dated 4/29/19 (2018 Remediation Report). Neither the G-11 valve, nor the unnumbered valve were listed in the 2018 Remediation Report. Furthermore, the 2021 Atmospheric Inspection Report did not identify the G-11 valve or the unnumbered valve as being observed to have atmospheric corrosion.

Therefore, Adelphia failed to provide protection against atmospheric corrosion as required by § 192.481.

2. § 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.

Adelphia failed to follow its manual of written procedures for conducting operations and maintenance activities. Specifically, Adelphia failed to follow its *Operations and Maintenance Manual*, issued February 2021, Section 3.3.10 (Flange Installation Specification) by not installing stud bolts on flange joints at the G75 Valve Setting with at least one thread visible on each end of a stud bolt.

The Flange Installation Specification stated in part regarding flange installations that: “When tightened, the bolt must extend completely through the nut. At least one thread should be visible on each end of a stud bolt.”

During the inspection, PHMSA observed numerous instances of stud bolts installed at the G-75 Bushkill Creek Valve Setting that failed to extend a minimum of one thread past the nut on each side of the flange as required by Adelphia’s Flange Installation Specification.

Therefore, Adelphia failed to comply § 192.605(a) by not following its manual of written procedures regarding flange installation.

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.

Adelphia failed to follow its manual of written procedures for conducting operations and maintenance activities. Specifically, Adelphia failed to follow its *Operations and Maintenance Manual*, Revision E, March 2022, Section 15.7.5.1 (Permanent Pipeline Markers Procedure) regarding maintenance of permanent pipeline markers on the right-of-way adjacent to Route 611 in Northampton County, PA and Route 212 in Bucks County, PA, pursuant to § 192.605(a) and § 192.707(a)¹.

During the inspection, PHMSA observed the right-of-way adjacent to Route 611 in Northampton County, PA and Route 212 in Bucks County, PA. No line-of-sight observation of permanent pipeline markers could be made on the right-of-way due to overgrowth with brush. Adelphia's Permanent Pipeline Markers Procedure imply placement and maintenance of pipeline markers to attain line of sight at preferred locations, where practical. The right-of-way was overgrown with brush to the extent of rendering line-of-site observation of permanent pipeline markers unattainable.

Therefore, Adelphia failed to follow the requirements of § 192.605(a), and §192.707(a) as they apply to Adelphia's Permanent Pipeline Markers Procedure.

4. § 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.

Adelphia failed to follow its manual of written procedures for conducting operations and maintenance activities. Specifically, Adelphia failed to follow its *Operations and Maintenance Manual*, revision E, March 2022, Section 16.18.2 Valve Security (Valve Security Procedure) by

¹ § 192.707 Line markers for mains and transmission lines.

(a) *Buried pipelines.* Except as provided in paragraph (b) of this section, a line marker must be placed and maintained as close as practical over each buried main and transmission line:

(1) At each crossing of a public road and railroad; and

(2) Wherever necessary to identify the location of the transmission line or main to reduce the possibility of damage or interference

failing to protect transmission line valves from vandalism and unauthorized operations at the Columbia Interchange site.

Adelphia's Valve Security Procedure stated in part that "All valves shall be protected from vandalism and unauthorized operations. Security may be provided by locks on the valve or location within locked fences or buildings."

During the inspection, PHMSA observed multiple gaps under the fence at the Columbia Interchange valve site in Northampton County, PA. Not all valves were locked, and the gaps under the fence provided possible access to individuals desirous of conducting vandalism and unauthorized operation of valves at the site.

Therefore, Adelphia failed to follow its Valve Security Procedure as required per § 192.605(a).

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.

Adelphia failed to follow its manual of written procedures for conducting operations and maintenance activities. Specifically, Adelphia failed to follow its *Painting & Coating Procedure*, December 2016, Section 10 Contractor Required Documentation (Coating Procedure) regarding documenting materials used for its 18" Mainline Station 4009+44 anomaly investigation.

Adelphia's Coating Procedure required "Daily Reports to detail environmental conditions, materials used, results from in process inspections, and a summary of the work completed during the day/shift. An example of an acceptable Daily Report form which may be used is provided in Section 11.1." The example report found in Section 11.1 included extensive information regarding the coating system used and its application.

During the inspection, PHMSA reviewed repair records for Adelphia's 18" Mainline Station 4009+44 anomaly investigation. Adelphia's Pipeline Investigation Report listed the 'New Coating Type' by manufacturer as Denso; however, the actual coating product and other materials used was not documented.

Therefore, Adelphia failed to follow its Coating Procedure as required by § 192.605(a).

Proposed Compliance Order

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to propose a civil penalty assessment at this time.

With respect to Item 2, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Adelphia Gateway, LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

With respect to Items 1, 3, 4, and 5, 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. Failure to do so may result in additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement 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).

Following the receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 1-2023-022-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

P.P.

Robert Burrough
Director, Eastern Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

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

PROPOSED COMPLIANCE ORDER

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

- A. In regard to Item 2 of the Notice pertaining to stud bolts on flange joints at G-75 Bushkill Creek Valve Setting, Adelphia must replace stud bolts that were improperly installed at G-75 Valve Setting with stud bolts that meet the requirements of Adelphia's Flange Installation Specification. within **270 days** of receipt of the Final Order.
- B. It is requested (not mandated) that Adelphia Gateway, LLC maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Robert Burrough, Director, Eastern 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.