

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**

**Special Permit Analysis and Findings**

**Class 1 to Class 3 Location**

**Special Permit Information:**

**Docket Number:** PHMSA-2021-0118  
**Requested By:** Florida Gas Transmission Company, LLC  
**Operator ID#:** 5304  
**Original Date Requested:** November 17, 2021  
**Original Issuance Date:** April 4, 2022  
**Code Section(s):** 49 CFR 192.611(a) and (d) and 192.619(a)

**Purpose:**

The Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS),<sup>1</sup> provides this information to describe the facts of the subject special permit application submitted by Florida Gas Transmission Company, LLC (FGT),<sup>2</sup> to discuss any relevant public comments received with respect to the application, to present the engineering and safety analysis of the special permit application, and to make findings regarding whether the requested special permit should be granted and, if so, under what conditions. FGT requested that PHMSA waive compliance from the 49 Code of Federal Regulations (CFR) 192.611(a) and (d) and 192.619(a) for a natural gas transmission pipeline segment, where the class location has changed from a Class 1 to a Class 3 location.

**Pipeline System Affected:**

This special permit application applies to the FGT request for a waiver of the class location

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<sup>1</sup> Throughout this special permit the usage of “PHMSA” or “PHMSA OPS” means the U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration Office of Pipeline Safety.

<sup>2</sup> FGT is owned by Energy Transfer and Kinder Morgan, Inc. Energy Transfer operates FGT.

change requirements in 49 CFR 192.611(a) and (d) and 192.619(a) for approximately 0.978 miles of gas transmission pipelines located in Brevard County, Florida.

Pipe specifications including outside diameter, year installed, seam type, coating type, pipe grade, wall thickness, maximum allowable operating pressure (MAOP), minimum pressure test pressure, and pressure test factor based on the minimum test pressure are detailed in **Table 1 – Pipe Specifications by Line Name**.

<b>Table 1 – Pipe Specifications by Line Name</b>									
Line Name	Outside Diameter (inches)	Year Installed	Seam Type	Coating Type	Grade	Wall Thickness (inches)	MAOP (psig)	Min. Test Pressure (psig)	Pressure Test Factor
Mainline Loop STA18-STA19	26	1968	DSAW	Coal Tar Enamel	X60	0.294	977	1,347	1.38

**Note:** **DSAW** is double submerged arc welded seam pipe. **PSIG** is pounds per square inch gauge.

Without this special permit, 49 CFR 192.611(a) would require FGT to replace the *special permit segment* with stronger pipe or reduce the pipeline MAOP for a Class 1 to Class 3 location change.

**Special Permit Request:**

On November 17, 2021, FGT applied to PHMSA for a special permit seeking relief from 49 CFR 192.611(a) and (d) and 192.619(a) for the below-listed *special permit segment*, where a class location change occurred from the original Class 1 to a Class 3 location on the 26-inch diameter Mainline Loop STA18-STA19 Pipelines in Brevard County, Florida.

This special permit applies to the *special permit segment* and *special permit inspection area* described and defined as follows, using the FGT survey station references:

**Special Permit Segment:**

This special permit applies to the *special permit segment* and is identified using the FGT survey station (SS) references as detailed in **Table 2 – Special Permit Segment**.

Table 2 – Special Permit Segment									
Special Permit Segment Number	Outside Diameter (inches)	Line Name	Length (feet)	Start Survey Station (SS)	End Survey Station (SS)	County, State	Year Installed	Seam Type	MAOP (psig)
182069	26	Mainline Loop STA18-STA19	5,162	3241+20	3292+82	Brevard, FL	1968	DSAW	977

**Special Permit Inspection Area:**

The *special permit inspection area* is defined as the area that extends 220 yards on each side of the centerline along approximately 73.7 miles of 26-inch diameter Mainline Loop STA18-STA19 Pipeline as shown in **Table 3 – Special Permit Inspection Area**.

Table 3 – Special Permit Inspection Area						
Special Permit Inspection Area Name	Special Permit Segment Number(s)	Outside Diameter (inches)	Line Name	Start Survey Station (MP)	End Survey Station (MP)	Length <sup>3</sup> (miles)
FLMEB-18	182069	26	Mainline Loop STA18-STA19	668.8	742.5	73.7

The *special permit inspection area* is in Brevard, Lake, Marion, Orange, and Osceola Counties, Florida.<sup>4</sup>

**Public Notice:**

On February 4, 2022, PHMSA posted a notice of this special permit request in the Federal Register (87 FR 6648) with a closing date of March 7, 2022. PHMSA received no comments on this special permit application during the comment period.

PHMSA has reviewed this special permit application to ensure the special permit conditions address pipeline safety and integrity threats to the pipeline in the *special permit segment* and *special permit inspection area*. The special permit will require FGT’s Operations and Maintenance (O&M) Manual and Procedures to provide a systematic program to review and remediate the pipeline for safety concerns. Additional operational integrity reviews and remediation requirements will be required by this special permit for this *special permit segment* for Class 1 to 3 location change.

<sup>3</sup> If the *special permit inspection area* footage does not extent from launcher to receiver then the *special permit inspection area* would need to be extended.

<sup>4</sup> The *special permit inspection area* includes the *special permit segment*.

The FGT special permit application letter, Federal Register notice, FEA and FONSI, special permit with conditions, special permit analysis and findings document, and all other pertinent documents are available for review in Docket No. PHMSA-2021-0118 in the Federal Docket Management System (FDMS) located on the internet at [www.Regulations.gov](http://www.Regulations.gov).

## **Analysis:**

**Background:** On June 29, 2004, PHMSA published in the Federal Register (69 FR 38948) the criteria it uses for the consideration of applications for class location change waivers, now being granted or denied through a special permit. First, certain threshold requirements should be met on a pipeline *special permit segment* for a class location change special permit to be granted. Second, the age and manufacturing process of the pipe; system design, and construction; environmental, operating and maintenance histories; and integrity management program elements are evaluated as significant criteria. These significant criteria are presented in matrix form and can be reviewed in the FDMS, Docket No. PHMSA–RSPA-2004-17401. Third, special permits will only be granted when pipe conditions and active integrity management provides a level of safety greater than or equal to a pipe replacement or pressure reduction. The operator’s Federal pipeline safety regulation compliance history is also evaluated as part of the criteria matrix for acceptability prior to issuance of a special permit.

**Threshold Requirements:** Each of the threshold requirements published by PHMSA in the June 29, 2004, Federal Register notice is discussed below in regards to the FGT special permit request.

- 1) No pipeline segment in a class location changing to Class 4 location will be considered.
  - This special permit request is for the *special permit segment* on the FGT 26-inch diameter Mainline Loop STA18-STA19 Pipeline, where a change has occurred from a Class 1 location to a Class 3 location.
  - FGT has met this requirement.
- 2) No bare pipe will be considered.
  - The *special permit segment* is externally coated with coal tar enamel. FGT has met this requirement of no bare pipe.
  - FGT has not reported any coating issues such as disbonded coating.
  - FGT has met this requirement.

- 3) No pipe containing wrinkle bends will be considered.
  - There are no wrinkle bends in the *special permit segment*.
  - FGT has met this requirement.
- 4) No pipe segment operating above 72% of the specified minimum yield strength (SMYS) will be considered for a Class 3 special permit.
  - The *special permit segment* operates at or below 72% SMYS.
  - The pipe for the *special permit segment* on the Mainline Loop STA18-STA19 Pipeline are 26-inch diameter, 0.294-inch wall thickness, and pipe strength of 60,000 psig. The pipe seam is a DSAW seam and was manufactured by Kaiser Steel in 1968.
  - FGT has met this requirement.
- 5) Records must be produced that show a hydrostatic test to at least 1.25 x MAOP and 90% of SMYS.
  - The *special permit segment* on the Mainline Loop STA18-STA19 Pipeline was pressure tested in 1968 at 1,347 psig for 24 hours.
  - FGT has met this pressure requirement, but pressure test records must meet 49 CFR 192.517(a).
- 6) In-line inspection (ILI) must have been performed with no significant anomalies identified that indicate systemic problems such as stress corrosion cracking (SCC).
  - FGT ran ILI tools on the Mainline Loop STA18-STA19 Pipeline in 2004, 2011, and 2018.
  - FGT has had no SCC findings or failures.
- 7) Criteria for consideration of a class location change waiver, being considered through the special permit, published by PHMSA in the Federal Register (69 FR 38948), define a *waiver inspection area (special permit inspection area)* as up to 25 miles of pipe on either side of the *waiver segment (special permit segment)*.
  - A special permit would be contingent upon FGT's incorporation of the *special permit segment* in its written integrity management program as a high consequence area in accordance with 49 CFR 192.903 and to assess and remediate threats to the *special permit inspection area*.

**Criteria Matrix:** The data submitted by FGT for the *special permit segment* has been compared to the class location change special permit criteria matrix as follows:

- The *special permit segment* falls in the *probable acceptance* column of the criteria matrix for:
  - Pipe material, design stress, leaks and failures, girth welds, test pressure, test failures, local geology, type service, pressure fluctuations, CP, safety related conditions, direct assessment, ILI type, and damage prevention program.
- The *special permit segment* falls in the *possible acceptance* column of the criteria matrix for:
  - Class 1 to 3 location, pipe manufacturer, pipe coating type (may shield cathodic protection (CP)), depth of pipe cover, HCA program, and ILI program.
- The *special permit segment* falls in the *requires substantial justification* column of the criteria matrix for enforcement findings.
  - Energy Transfer and Kinder Morgan, Inc. are co-owners of FGT. Energy Transfers overall enforcement findings fall in the *requires substantial justification category*. FGT enforcement findings do not fall within this category.
  - FGT had two (2) stress corrosion cracking failures in September of 2020 on two (2) pipelines of older pipe vintages (low frequency electric resistance welded), different coating systems (Polyken tape), and was in Palm Beach and Seminole Counties, Florida.

### **Operational Integrity Compliance:**

To inform PHMSA’s decision about whether a special permit could provide a level of safety greater than or equal to a pipe replacement or pressure reduction and is consistent with pipeline safety, PHMSA reviewed this special permit request to understand the known type of integrity threats that are in the *special permit segment* and *special permit inspection area*. This integrity information was used to design special permit conditions to provide a systematic program to review and remediate the pipeline for safety concerns. Additional operational integrity review and remediation requirements are required by this special permit to ensure that the operator has an ongoing program to locate and remediate safety threats. These threats to integrity and safety include any issues with the pipe coating quality, cathodic protection effectiveness, operations

damage prevention program, pipe depth of soil cover, weld seam and girth weld integrity, anomalies in the pipe steel and welds, and material and structures either along or near the pipeline that could cause the cathodic protection system to be ineffective. PHMSA has carefully designed a comprehensive set of conditions that FGT must implement to comply with this special permit.

**Past Enforcement History – January 1, 2011 through June 15, 2021:**

During January 1, 2011, through June 15, 2021, FGT was cited in five (5) enforcement actions with a total of \$197,200 in assessed civil penalties. PHMSA issued three (3) Corrective Action Orders, one (1) Notice of Probable Violation, and one (1) Safety Order to FGT.

Tables 4 and 5 below show PHMSA enforcement actions and civil penalties for FGT:

<b>Table 4 - FGT Enforcement Matters from January 1, 2011, through June 15, 2021</b>						
<b>Status</b>	<b>Corrective Action Order</b>	<b>Notice of Amendment</b>	<b>Notice of Probable Violation</b>	<b>Safety Order</b>	<b>Warning Letter</b>	<b>Total</b>
CLOSED	2	0	1	1	0	4
OPEN	1	0	0	0	0	1
<b>Total</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>5</b>

<b>Table 5 - FGT Enforcement Matters from January 1, 2011, through June 15, 2021</b>				
<b>Proposed</b>	<b>Awaiting Order</b>	<b>Assessed</b>	<b>Withdrawn/Reduced</b>	<b>Collected</b>
\$197,200	\$0	\$197,200	\$0	\$197,200

From January 1, 2011, through June 15, 2021, Energy Transfer, the operator of FGT, was cited in 20 enforcement actions with a total of \$679,300 in assessed civil penalties on their Energy Transfer Company (ETC), Florida Gas Transmission Company (FGT), Panhandle Eastern Company (PEPL), Transwestern Pipeline Company (Transwestern), and Trunkline Gas Company (Trunkline) pipeline systems. PHMSA issued two (2) Corrective Action Orders, four (4) Notice of Amendments, eight (8) Notices of Probable Violations, seven (7) Warning Letters, and two (2) Safety Orders to Energy Transfer.

**Tables 6 and 7** below show PHMSA’s enforcement actions and civil penalties for Energy Transfer Partners on these pipeline systems – ETC, FGT, PEPL, Transwestern, and Trunkline with operator identification numbers (OPID#) 32099, 5304, 15105, 19610, and 19730.

<b>Table 6 - Summary of Enforcement Findings for ETC, FGT, PEPL, Transwestern, and Trunkline from January 1, 2011, through June 15, 2021</b>						
<b>Status</b>	<b>Corrective Action Order</b>	<b>Notice of Amendment</b>	<b>Notice of Probable Violation</b>	<b>Safety Order</b>	<b>Warning Letter</b>	<b>Total</b>
CLOSED	2	4	8	2	7	<b>23</b>
OPEN	1	0	1	0	0	<b>2</b>
<b>Total</b>	<b>3</b>	<b>4</b>	<b>9</b>	<b>2</b>	<b>7</b>	<b>25</b>

<b>Table 7 - ETC, FGT, PEPL, Transwestern, and Trunkline Civil Penalty Status January 1, 2011 through June 15, 2021</b>				
<b>Proposed</b>	<b>Awaiting Order</b>	<b>Assessed</b>	<b>Withdrawn/Reduced</b>	<b>Collected</b>
\$679,300	\$0	\$679,300	\$0	\$679,300

**Summary of enforcement findings for ETC, FGT, PELP, Transwestern, and Trunkline:** Reporting, design, welding, corrosion control, operations and maintenance procedures, public awareness, qualification of operating personnel, and integrity management.

- 49 CFR 192.5, 192.12, 192.167, 192.225, 192.402, 192.404, 192.452, 192.463, 192.465, 192.467, 192.469, 192.505, 192.589, 192.605, 192.616, 192.619, 192.709, 192.739, 192.745, 192.905, and 192.917.

**Table 8** below gives a complete summary of the findings and the specific 49 CFR Part 191 and 192 violation:



<b>Table 8 - Summary of Enforcement Findings for ETC, FGT, PEPL, Transwestern, and Trunkline January 1, 2011 through June 15, 2021</b>					
<b>Notice of Amendment</b>					
OME Procedural Manual	8	Public Awareness	3	Transportation of HL	2
<b>Notice of Amendment Total:</b>					<b>13</b>
<b>Notice of Probable Violation</b>					
Corrosion Control	4	OME Procedural Manual	3	Operation and/or Maintenance	9
Operator Qualification	1	Integrity Management	7	Design	1
<b>Notice of Probable Violation Total:</b>					<b>25</b>
<b>Warning Letter</b>					
Corrosion Control	3	Reporting	1	Transportation of Gas	1
Integrity Management	3	Welding of Steel in Pipelines	1		
<b>Notice of Amendment Total:</b>					<b>9</b>
<b>Grand Total:</b>					<b>47</b>

### **Findings:**

Based on the information submitted by FGT and PHMSA’s analysis of the technical, operational, and safety issues, PHMSA finds that granting this special permit to FGT to operate the *special permit segment* on the 26-inch diameter Mainline Loop STA18-STA19 Pipeline in Brevard County, Florida, for approximately 0.978 miles of Class 1 location pipe in a Class 3 location is consistent with pipeline safety.

FGT’s enforcement record does not reflect sustained and substantial noncompliance with 49 CFR Part 192. PHMSA has designed special permit conditions to effectively assess and remediate threats to the *special permit segment* and *special permit inspection area*, including assessments to evaluate pipe girth welds that have not been non-destructively tested, and any pipe with inadequate pressure test or material records. To ensure FGT properly implements the special permit conditions, FGT will be required to give PHMSA an annual review of their compliance with the special permit.

PHMSA finds that no significant negative impact to human safety and the environment will result from the issuance and full implementation of a special permit that waives the requirements of 49 CFR 192.611(a) and (d) and 192.619(a) for class location changes to a Class 3 location. This permit requires FGT to implement the special permit conditions which include safety requirements on the operations, maintenance, and integrity management of the *special permit*

*segment* and the *special permit inspection area*. FGT will be required to implement the special permit conditions in the *special permit segment* and *special permit inspection area*, which include areas along the pipeline where periodic integrity assessments are not required by 49 CFR Part 192.

**Completed in Washington DC on: April 4, 2022**

**Prepared by: PHMSA - Engineering and Research Division**