U.S. Department of Transportation (DOT) – Pipeline & Hazardous Materials Safety Administration (PHMSA)

PHMSA's Office of Pipeline Safety (OPS) is responsible for nearly 3,000 companies that operate 2.7 million miles of gas pipeline, 400,000 miles of oil pipeline, 140 liquefied natural gas plants, and 7,574 hazardous liquid breakout tanks. PHMSA's website lists that they have 188 federal Inspection & Enforcement staff with 340 State inspectors for all of this.

NOTES:

- Many violations from accidents do not rise to the level of a PHMSA investigation that results in a Notice of Possible Violation and/or Compliance Order.
- PHMSA cases may be under the name of subsidiary of Williams (e.g., Magellan), and those cases are not detailed in this summary.

All incidents are not reportable to PHMSA. What is a "reportable incident"? 49 CFR §191.3 Definitions

Incident **means any of the following events:**

(1) An event that involve the release of gas from a pipeline, or of liquefied natural gas, or gas from an LNG facility, and that results in one or more of the following consequences:
   - (i) A death, or personal injury necessitating in-patient hospitalization;
   - (ii) Estimated property damage of $50,000 or more, including loss to the operator and others, or both, but excluding cost of gas lost;
   - (iii) Unintentional estimated gas loss of three million cubic feet or more;

(2) An event that results in an emergency shutdown of an LNG facility. Activation of an emergency shutdown system for reasons other than an actual emergency does not constitute an emergency.

(3) An event that is significant in the judgment of the operator, even though it did not meet criteria of paragraphs (1) or (2) of this definition.

The Office of Pipeline Safety (OPS) part of PHMSA lists 151 Inspection & Enforcement (I&E) employees, 90 of which are pipeline inspectors in the 5 regional offices. They note that, for all 5 regions, 42% of their time is spent inspecting for compliance with PHMSA operation, maintenance, integrity, and emergency response safety regulations; 8% of their time is spent investigating pipeline system failures; and 10% of their time is spent on oversight of construction of new pipeline facilities. PHMSA relies on the companies to make sure that their lines are inspected, maintained and repaired. PHMSA becomes involved if there are accidents.

- We are in the Eastern Region Office where inspectors are responsible for interstate pipeline facilities in 15 states: Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Ohio, Maryland, Washington DC, Virginia & West Virginia. The Eastern Region Office lists 25 employees and a Director on PHMSA's 10/31/16 Administration page to cover all 15 states.

PHMSA - Pipeline Safety - Eastern Regional Office
820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628

Director: Byron Coy
609-989-2171

Williams

In looking for accidents by Williams, it became difficult to know how much more there was than is on the attached list since they create legally separate groups. For some cases of a company listed as Magellan on PHMSA, there was a notation that he penalty was paid by Williams. Since it could not clearly be determined that Williams was the "responsible" party, information about those cases are not listed.

Williams Brothers started building pipeline in 1908 and then ran optic cable along their pipelines. After the dot.com changes, they had massive debt. They changed their focus to oil pipelines as Williams Energy Partners, LP (Tulsa, OK) and changed their name to Magellan Midstream Partners, LP effective 9/1/2003. Magellan Pipeline Co., LP was formerly known as Williams Pipeline Co., LLC. Magellan Pipeline Co. is a subsidiary of Magellan Midstream. Currently, Williams owns 64% of Williams Partners, LP. Williams has a significant investment in Access Midstream Partners, LP (a midstream NG service provider).

In January 2012, Williams separated into two stand-alone, publicly-traded corporations: Williams became an infrastructure company, and many of its pipeline assets were held by the master limited partnership, Williams Partners LP. WPX Energy became the drilling, production and exploration group.

Transco is a wholly-owned subsidiary of Williams Partners Operating LLC, which is a subsidiary of Williams Partners L.P., which is a subsidiary of the Williams Companies, Inc. On February 2, 2015, Williams Partners L.P. merged with and into Access Midstream Partners, L.P. Transco's subsidiaries are Cardinal Operating Company, LLC; Cardinal Pipeline Company, LLC; Pine Needle Operating Company, LLC; TransCardinal Company, LLC; and TransCardinal LNG Company, LLC. (source: Certificate of Public Convenience and Necessity 2/3/17 for Atlantic Sunrise Project CP15-38)

2002 Williams's own stakeholders filed a class action lawsuit against it, alleging that the company hid its failing financial conditions.

In 2007, Williams agreed to pay $290 million to settle this class action lawsuit.2002 Williams was found to have violated the Unfair Competition Act by illegally pricing power & natural gas. California's Attorney General initially imposed a fine of $1,817 million for this, and a settlement agreement (11/11/02) reduced this to $417 million, paid as:

- Reducing price of long-term contract with California by $180 million,
- Furnishing $90 million of generating assets to San Francisco & San Diego, and
- Paying $147 million in cash through 2010.

Additionally, Williams agreed to reimburse the Attorney General Office, California Public Utilities Commission and the Electricity Oversight Board for their investigation costs (not listed), and $4.5 million of this will go to the Attorney General to help fund ongoing investigation.

2003 Williams paid $20 million for intentionally manipulating natural gas prices to the Commodity Futures Trading Commission (CFTC).
Source: CFTC Docket No. 03-21; press release #4824-03 (7/29/03)

2004 Settlement Agreement (7/2/04) – Williams paid FERC $140 million for manipulation of power & natural gas prices in the west coast energy market.
Source: FERC Docket No. EL00-95-104

2005 FERC accepts settlement agreement where Williams Companies Inc. agreed to pay $7.6 million (refunds + civil penalties) for a Transco employee's impermissible sharing of nonpublic storage info. with traders at Williams Energy Marketing & Trading Co., a predecessor of Williams Power Co.
Sources: FERC News Release 6/15/05 Docket #IN04-2-001, and FERC Order Approving Stipulations and Consent Agreement

2013 (December) – The Pipeline Safety Trust analyzed safety & compliance records of companies regulated by the Pipeline Safety Administration and found that, from 2006-2011, federal agencies had launched more enforcement actions against Williams (21) than all but three other companies, and only one other company had a higher total of proposed penalties than the $1.6 million against Williams.

2015 (May) – The US Chemical Safety Board expanded its investigation of safety practices at Williams Companies after the incidents in Washington, Wyoming & Louisiana. The lead investigator said, "With strong corporate oversight of process safety, it would be very unlikely to have three incidents like this in a twelve-month period."