12/24/96

MEMORANDUM

SUBJECT: Approval of Enron/Transwestern Revised Natural Gas Pipeline PCB Compliance Monitoring Program (CMP) Plan

FROM: Michael Calhoun, Environmental Scientist
Multimedia Enforcement Branch

THRU: David Hindin, Chief
Multimedia Enforcement Branch

TO: Melissa Marshall, Director
Multimedia Enforcement Division

The purpose of this memorandum is to seek your approval of the revised PCB Compliance Monitoring Plan submitted by Enron/Transwestern on December 18, 1996. The revised plan is based on the Interstate Natural Gas Association of America (INGAA) proposal approved by MED on July 3, 1996. If you agree, please sign the approval letter attached to this memorandum.

On July 3, 1996, ORE/MED approved a proposal by the Interstate Natural Gas Association of America (INGAA) to revise the 1981 PCB Compliance Monitoring Program for the 10 major natural gas transmission pipelines still participating in the national program. Under the revised program, each of the ten pipeline companies were required to submit a revised PCB monitoring plan to include new system maps, a summary and analysis of historical PCB data and a new PCB sampling scheme. Attached is a copy of MED's July 3, 1996 letter approving INGAA's April 8, 1996 proposal. Note that each company has agreed to participate in the revised CMP.

Background

In January 1981, PCBs were discovered in natural gas pipeline liquids in Long Island, NY. Pipeline liquids include pipeline condensate and other liquids that were intentionally or accidentally added to the pipeline. Pipeline condensates, primarily composed of hydrocarbon distillates, occur as a result of the movement of pressurized natural gas through a pipeline under varying temperature conditions. Examples of liquids added to natural gas pipelines include: methanol as a cleaning solvent; metals formulations for corrosion protection; PCBs compressor liquids that leak from turbine compressors into the pipeline; and PCBs in waste oil sprayed into the pipeline (known as fogging the lines) for gasket protection.

Background (continued)

EPA, state and industry formed a taskforce in January 1981 to address the PCB problem and to coordinate national activities. Under this taskforce, headquarters EPA took responsibility for major interstate transmission companies, while the EPA Regions were asked to work with public service commissions and local distribution companies. Extensive EPA and industry sampling of pipeline transmission liquids revealed that 13 major natural gas transmission companies had PCB contamination greater than 50 ppm in violation of the PCB Rule Prohibitions Section found at 40 CFR Section 761.20. PCB pipeline liquids contamination also was found at a number of local distribution companies.

In late 1981, EPA instituted a Compliance Monitoring Program (CMP) for the 13 companies found to have **PCBs greater than 50 ppm**. At that time, the use of PCBs in natural gas pipelines at greater than 50 ppm constituted a use of PCBs in a non-totally enclosed manner, prohibited by 40 CFR Section 761.20(a). The 1981 CMP required each company to develop remedial plans with four basic objectives: (1) to ensure the proper storage and disposal of PCBs; (2) to contain PCB contamination to limited areas of the transmission system; (3) to eliminate any further entry of PCBs into the pipeline system; and (4) to remove remaining PCB contamination from the pipeline system. To achieve these objectives, most of the participants installed filter separators to collect condensate at several locations along their respective pipeline systems.

In addition, each company was asked to develop and submit PCB monitoring plans that included sampling key points within the contaminated area. Suggested sampling locations included major natural gas purchasers and large volume condensate collections points. Individual monitoring plans were finalized with each company in late 1981 and early 1982.

EPA decided that it would not take enforcement action against such companies for the **improper use of PCBs** as long as they participated in an EPA (HQ or regional) compliance monitoring program. **All companies were required to comply with all other aspects of the PCB rule, which included marking, recordkeeping and disposal**.

In 1983, three companies were dropped from the CMP because their PCB levels were found to be less than 50 ppm PCBs. The three companies dropped in 1983 were Great Lakes, Michigan-Wisconsin and Northern Natural. In July 1984, EPA amended the PCB regulations and authorized the use of PCBs in natural gas pipelines at less than 50 ppm pursuant to 40 CFR Section 761.30(i).

Background (continued)

To date, **10 companies are still participating in the CMP and have submitted semi-annual reports to Headquarters since 1983.** The ten companies are Algonquin Gas; Columbia Gas; Columbia Gulf; CNG/Consolidated Gas; Midcon; Tennessee Gas; Texas Gas, Transco; Panhandle (Texas)Eastern; Enron (Transwestern). (See TAB 4 for example CMP monitoring report.) Since 1983, each company has conducted biannual sampling and reported the results to EPA in April and November of each calendar year. EPA Headquarters has periodically sent copies of CMP reports to the regional offices for their use in targeting PCB inspections. Under the 1981 CMP, an estimated that 4 million gallons of PCB liquids have been disposed of in accordance with TSCA and the PCB regulations.

1995-EPA and Natural Gas Pipeline Companies Meeting

On November 1, 1995, Mike Calhoun of ORE/MED and Tony Baney and John Smith of OPPTS/OPPT met with officials from 10 major natural gas pipeline transmission companies, American Gas Association (AGA) and the Interstate Natural Gas Association of America (INGAA). The meeting had two main purposes. First, EPA/MED requested the 10 pipeline companies still participating in the CMP to revise their existing plans. Second, EPA/OPPT explained in general terms how the proposed PCB "Mega" Rule and the expanded PCB use authorization for natural gas pipelines contained in the "Mega" Rule will replace the historical 1981 CMP, as well as, streamline permitting, decontamination and disposal issues relating to natural gas pipelines. During the meeting, EPA representatives answered industry questions on both the 1981 CMP and the proposed PCB rule.

MED Lead on the 1981 CMP

In a memorandum dated April 3, 1996, ORE/TPED and ORE/MED agreed that MED would take the lead in monitoring the 1981 CMP and multimedia pipeline enforcement cases.

INGAA's 1996 Proposal

INGAA's April 8, 1996 proposal requires **each natural gas pipeline company to annually generate and submit**:

(1) a system map, to include both main and lateral lines, delineating the areas with PCB contamination greater than or equal to 50 ppm PCBs over at least the last 3 years;

(2) a summary and analysis of the historical PCB monitoring data;

INGAA's 1996 Proposal (continued)

(3) a representative PCB sampling protocol; Under the INGAA proposal, each CMP companies will submit a revised annual liquids sampling protocol that has been specifically developed to monitor a **known area or segment of PCB contamination** on the system.

(4) a summary of pipeline liquids removed from the system.

The advantages of the INGAA proposal are listed below.

o The 1996 INGAA proposal allows EPA and industry to make the transition from the CMP to similar requirements in the upcoming PCB disposal regulation amendments. Upon promulgation (probably in 1997), the expanded use authorization for PCBs in natural gas pipelines will supersede the CMP. EPA's longest running enforcement discretion program will end. Under the new rules, the use of PCBs at greater than 50 ppm will be authorized subject to certain conditions, including a notification requirement to the Regions and/or OPPT.

o EPA obtains updated pipeline system maps and summaries showing where PCB contamination exists. MED will provide this information to Regions and States for their use in monitoring interstate and local distribution pipeline companies.

O INGAA proposal conserves EPA's limited resources.

O CMP companies also conserve their resources in simplifying PCB sampling and reporting requirements.

Status of Revised PCB-CMP Plans

To date, we have received revised CMP plans from all ten pipeline companies. A separate memorandum requesting approval of the fist nine revised CMP plans was prepared and submitted to MED management on December 20, 1996. The 10th and last plan was submitted by Enron/Transwestern on December 18, 1996. A summary and analysis of the Enron/Transwestern revised plan is presented below.

Enron/Transwestern

Enron submitted their revised plan in two parts: on 12/13/96 and 12/18/96. The second submittal, in response to my request for more information, contained Enron's revised sampling plan and system map. Enron's revised plan complies with the approved INGAA proposal.

Prior to 1985, the Transwestern system was owned and operated by Texas Eastern. Transwestern system is located in west Texas, New Mexico and Arizona and has been primarily used to supply California markets with natural gas. In 1985, Enron purchased the Transwestern system and assumed the CMP responsibility for the PCB contaminated part of the system.

Under the 1981 CMP, the PCB contamination at greater than or equal to 50 ppm was assumed to be in a 700-mile mile section of pipeline running from Corona, NM to Needles, AZ. A review of the data submitted as part of the revised plan shows that since 1992 only two samples have been over the 50 ppm regulatory threshold. The two samples over 50 ppm PCB were collected from Compressor Stations 3 near Winslow, AZ and Station 4 near Gallup, NM. The Enron/Transwestern system is essentially in compliance with the current use authorization requiring less the 50 ppm PCBs in the transmission pipelines.

Enron has proposed to continue sampling at 2 locations: Roswell, NM and Needles, AZ during the 1st and 4th quarters. Depending on the results of the 1997 sampling, Enron may request an early release from the revised CMP. **Recommend approval.**

Lastly, note that most of the CMP member companies collect condensate from any number of points on their systems and test for PCBs prior to disposal. All companies have agreed to report all PCB sampling results equal to or greater than 50 ppm PCBs in the annual CMP-PCB report. The reporting of the PCB results of this disposal testing will further support the revised CMP and ensure that any new PCB hot spots are addressed by EPA and pipelines companies.

If you approve of this activity, please sign the attached approval letter and return it to me.

Attachments

cc: J. Baskerville
TSCA Regional Division Directors