

**Civil Penalty Summary**  
Last Revised September 5, 2012

PHMSA calculates civil penalties in administrative enforcement proceedings by considering the statutory assessment factors in 49 U.S.C. § 60122. The penalty for a single violation of the pipeline safety regulations is comprised of the amounts assigned under each of the assessment considerations outlined in this document. Each assessment consideration is structured in order of severity and within the ranges set forth below.

This summary does not attempt to provide a specific method for calculating civil penalties. Accordingly, it cannot be used, by itself, as a basis for determining an appropriate penalty in a specific action.

	<b>Range of Conduct (in order of severity)</b>	<b>Civil Penalty Range</b>
Nature	<ul style="list-style-type: none"> <li>- Records: incomplete or missing records</li> <li>- Activities: failure to conduct/perform activities (such as inspections, tests, preparing or following procedures, maintenance, meetings, notifications, reports)</li> <li>- Equipment/facilities: such as safety equipment not installed, missing, defective or inoperative</li> </ul>	\$1,250 ↓ \$6,200
Circumstances	<ul style="list-style-type: none"> <li>- Operator discovered the non-compliance</li> <li>- Inspector discovered the compliance</li> <li>- Reported by the public, verified by PHMSA</li> <li>- Extended period of non-compliance (1 or more compliance intervals) regardless of who discovered it.</li> </ul>	\$1,250 ↓ \$18,700
Gravity	<ul style="list-style-type: none"> <li>- Records violation only</li> <li>- Pipeline integrity or safe operation minimally affected</li> <li>- Pipeline integrity or safe operation potentially compromised in other areas</li> <li>- Pipeline integrity or safe operation significantly compromised in other areas</li> <li>- Pipeline integrity or safe operation was potentially compromised in a populated area, an HCA (High Consequence Area<sup>1</sup>), an HCA "could affect" HCA segment, a road or RR crossing, a plant/station or similar area</li> <li>- Pipeline integrity or safe operation was significantly compromised in a populated area, HCA, HCA "could affect" segment, a road or RR crossing, plant/station, or similar area</li> <li>- Probable violation contributed to causing an accident or contributed to increasing the severity of its consequences</li> </ul>	\$1,250 ↓

<sup>1</sup> See 49 CFR Parts 192 and 195 for definition of a high consequence area.

	<ul style="list-style-type: none"> <li>↓ - Probable violation was a causal factor for an accident (for example: human error or equipment failure that if eliminated, would have prevented the accident)</li> <li>- Additional gravity for multiple instances of the same violation</li> </ul>	<ul style="list-style-type: none"> <li>↓</li> <li>\$150,000</li> </ul>
Culpability	<ul style="list-style-type: none"> <li>↓ - The operator was diligent in taking all practicable steps to comply but failed to achieve full compliance for reasons such as unforeseeable events/conditions that were partly or wholly outside his/her control; or the operator is a small or new operator in the process of building and strengthening his/her compliance program, or similar reasons</li> <li>- The operator was cognizant of the regulatory requirement and took significant steps to address the issue, but had some degree of justification for not taking all practicable steps to achieve compliance at its facility</li> <li>- The operator was cognizant of the regulatory requirement and took some steps to address the issue, but did not achieve compliance</li> <li>- The operator failed to take any action or made a minimal attempt to comply with a regulatory requirement that was clearly applicable to its facility</li> </ul>	<ul style="list-style-type: none"> <li>↓</li> <li>-\$25,000</li> <li>↓</li> <li>\$0</li> </ul>
History of Prior Offenses	<ul style="list-style-type: none"> <li>↓ - Prior findings of violation include a civil penalty or compliance order in the five years that precede the date of the Notice. The prior findings of violation may be the same, similar or different violations</li> </ul>	<ul style="list-style-type: none"> <li>↓</li> <li>\$0</li> <li>↓</li> <li>\$12,500</li> </ul>
Good Faith in Attempting to Comply	<ul style="list-style-type: none"> <li>↓ - Good faith exists if the operator's interpretation of the requirement was reasonable and the operator had a credible belief that his/her approach to achieving compliance was faithful to its duty to meet the regulatory obligation</li> <li>- Good faith does not exist if the operator's interpretation of the requirement was not reasonable, the operator failed to follow publicly available guidance, or the operator did not act in accordance with his/her duty to meet the regulatory obligation</li> </ul>	<ul style="list-style-type: none"> <li>↓</li> <li>-\$12,500</li> <li>↓</li> <li>\$0</li> </ul>
Other Matters as Justice May Require	<ul style="list-style-type: none"> <li>↓ - Operator self-reported the violation to PHMSA</li> <li>- Additional \$ for each LNG<sup>2</sup> violation (190.223(c)) - Operator's written procedures exceeded regulatory requirements and the non-compliance was against the requirements of the procedure that exceeded the regulation.</li> <li>- Noncompliance related to an item on a Safety-Related Condition Report</li> </ul>	<ul style="list-style-type: none"> <li>↓</li> <li>-\$37,500</li> <li>↓</li> </ul>

<sup>2</sup> Liquefied Natural Gas

