



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

400 Seventh Street, S.W.
Washington, D.C. 20590

JUN 29 2006

Mr. R. Alan Englehart
Vice President, Engineering/Operations
Texas Gas Transmissions, LLC
Post Office Box 20008
Owensboro, Kentucky 42301

RE: CPF No. 2-2006-1004

Dear Mr. Englehart:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes a finding of violation and requires certain corrective action. When the terms of the compliance order are completed, as determined by the Director, Southern Region, this enforcement action will be closed. Your receipt of this Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

A handwritten signature in black ink, appearing to read "James Reynolds".

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

cc: Ms. Linda Daugherty, Director, Southern Region, OPS

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of

Texas Gas Transmission, LLC,

Respondent.

CPF No. 2-2006-1004

FINAL ORDER

Between August 9, 2005 and August 25, 2005 and, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety (OPS), and the Kentucky Public Service Commission conducted a gas integrity management inspection of Respondent's integrity management program (IMP), in Owensboro, Kentucky. As a result of the inspection, the Director, Southern Region, OPS, issued to Respondent, by letter dated March 9, 2006, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent violated 49 C.F.R. Part 192 and proposed that Respondent take certain measures to correct the alleged violation..

Respondent responded to the Notice by letter dated, April 10, 2006 (Response). Respondent did not contest the allegation of violation but offered an explanation and provided information concerning the corrective actions it has taken to comply. Respondent did not request a hearing, and therefore has waived its right to one.

FINDINGS OF VIOLATION

(Uncontested)

In its Response, Respondent did not contest the alleged violation in the Notice. Accordingly, I find that Respondent violated the following section of 49 C.F.R. Part 192, as more fully described in the Notice:

49 C.F.R. § 192.917(c) –Failure to conduct a risk assessment that follows ASME/ANSI B31.8S, section 5, and considers the identified threats for each covered segment; failure to use the risk assessment to prioritize the covered segments for the baseline and continual reassessments (§§192.919, 192.921, 192.937), and to determine what additional preventive and mitigative measures are needed (§ 192.935) for the covered segment. Respondent's risk assessment,

analysis and risk ranking algorithm utilized for the covered pipeline segments did not include consideration of failure consequences factors which is required by 49 C.F.R. § 192.917(c).

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1 for violations of 49 C.F.R. §192.917(c).

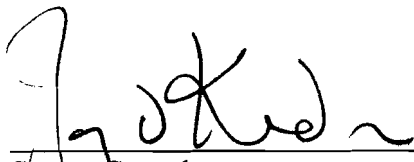
Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118 (b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations. Respondent must -

1. Re-run all risk assessments, analysis and risk ranking of all covered segments in your pipeline system, consider failure consequence factors and all information relevant to determine the risk associated with pipeline operation, as required by 49 C.F.R. § 192.917(c) and ASME/ANSI B31.8S, section 3 and 5. Complete this item within 180 days of receipt of this Order.
2. Submit the new risk assessments, analysis and risk ranking documentation on all covered pipeline segments that include consideration of failure consequence factors and all information relevant to determine the risk associated with your covered pipeline segments. Complete this item within 180 days of receipt of this Order.
3. Submit documentation and evidence of completion of these actions to Ms. Linda Daugherty, Director, OPS, Southern Region, Pipeline and Hazardous Materials Safety Administration, 233 Peachtree Street, Suite 600, Atlanta, GA 30303.

The Director, OPS, Southern Region may grant an extension of time for compliance with any of the terms of this order for good cause. A request for an extension must be in writing and adequately justify the reasons for the extension.

Failure to comply with this Final Order may result in the assessment of civil penalties of up to \$100,000 per violation per day, or in the referral of the case for judicial enforcement.

Under 49 C.F.R. § 190.215, Respondent has a right to submit a Petition for Reconsideration of this Final Order. The petition must be received within 20 days of Respondent's receipt of this Final Order and must contain a brief statement of the issue(s). The terms of the order, including any required corrective action, remain in full effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective on receipt.

for


Stacey Gerard
Associate Administrator
for Pipeline Safety

JUN 29 2006

Date Issued