

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 18, 1998

Mr. E. Jack Ralph
Vice-President of Operations
Texas Gas Transmission Corporation
3800 Frederica Street
Owensboro, KY 42301

CPF No. 28102W

Dear Mr. Ralph:

On May 18 - 22, 1998, a representative of the Southern Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of your facilities and records in Calvert City, Slaughter, Hardensburg, and Louisville, Kentucky.

As a result of the inspection, it appears that you have committed probable violations of pipeline safety regulations Title 49, Code of Federal Regulations, Part 192 as noted below.

The items inspected and the probable violations are:

1. §192.465(d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.

Texas Gas Transmission has a written criteria of -0.850V as a satisfactory level of cathodic protection. At the time of inspection, no prompt remedial action had been taken to correct low pipe-to-soil potentials that could adversely affect the safe operation of the pipeline system. OPS supports the efforts put forth to clear a shorted casing at this location, however, the carrier pipe cannot be sacrificed in the process. Following is the area showing an unsatisfactory level of cathodic protection:

Jeffersontown District - Milepost 583+3200, Line 2 - 26" @ Sunshine Acres: Annual Survey -4/97: -0.830V; 11/97: -0.708V; 5/98-DOT field reading: -0.771V. Also, Line 1 - 26" shows a low reading in 11/97: -0.736V; 5/98-DOT field reading: -0.831V.

2. §192.467(d) Inspection and electrical tests must be made to assure that electrical isolation is adequate.

The annual cathodic protection (CP) survey for the Slaughters district revealed that casings located at milepost 452+3209, line 3 - 30" and 493+4681, line 1 - 26" had not been tested in 1997 and 1996 & 1997, respectively, to assure electrical isolation from the carrier pipe. In addition, electrical isolation cannot be adequately determined if pipe-to-soil and casing-to-soil measurements are not taken simultaneously at the exact assigned locations on the survey. Using upstream or downstream pipe-to-soil measurements to compare to a casing in a different location is not the right approach. This was observed on the annual CP survey for all of the districts.

3. §192.469 External corrosion control: Test stations. Each pipeline under cathodic protection required by this subpart must have sufficient test stations or other contact points for electrical measurement to determine the adequacy of cathodic protection.

During the records and field review, Slaughters and Hardensburg districts had several test stations for two years of surveys that had not been read (in some cases, since 1991) to determine adequate cathodic protection. As a result, this created two to three miles of spacing between measurement of the nearest test station at those locations. This is not an acceptable approach of evaluating an overall satisfactory level of cathodic protection of the entire pipeline system.

4. §192.707(c) Pipelines above ground. Line markers must be placed and maintained along each section of a main and transmission line that is located above ground in an area accessible to the public.

In the Hardensburg district, there were no signs in place at mainline block valve #51 to identify and to reduce the possibility of damage or interference to Texas Gas Transmission's facility.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violation persists up to a maximum of \$500,000 for any related series of violations.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to assess you a civil penalty. We advise you, however, that should you not correct the circumstances leading to the violations, we will take enforcement action when and if the continued violation comes to our attention.

You will not hear from us again with regard to the noted inspection and our subsequent action. Because of the good faith that you have exhibited up to this time, we expect that you will act to bring your pipeline (and/or your operations) into compliance with pipeline safety regulations. Please refer to CPF No. 28102 in any correspondence or communication regarding this matter.

Sincerely,

Frederick A. Joyner
Director, Southern Region
Office of Pipeline Safety

cc: Compliance Registry, OPS Headquarters
File:: Texas Gas Transmission Corporation