

_____))
Consent Agreement Between))
))
U.S. Department of Transportation))
Research and Special Programs) CPF No. 15102
Administration))
))
And))
))
Texas Eastern Transmission))
Corporation))
_____))

AGREEMENT

WHEREAS, pursuant to 49 U.S.C. § 60101 et seq., the Office of Pipeline Safety (OPS), Research and Special Programs Administration (RSPA), U.S. Department of Transportation, issued a Notice of Probable Violation, Proposed Civil Penalty and Notice of Amendment (Notice) on May 23, 1995 in this case;

WHEREAS, the Notice applies to the natural gas pipeline facilities owned and operated by Texas Eastern Transmission Corporation (TETCO) in the state of New Jersey;

WHEREAS, the Notice alleged, inter alia, that TETCO had violated 49 C.F.R. § 192.13(c) for failing to follow its one-call procedures and pipeline right-of-way patrolling procedures and § 192.739 for exceeding the prescribed interval for inspecting and testing three of its pressure limiting and regulating stations, proposed a \$105,500 civil penalty for these alleged violations and proposed that TETCO amend certain of its procedures;

WHEREAS, TETCO disputed the legal and factual bases of the allegations in the Notice;

WHEREAS, in response to the Notice, and without conceding any violation, TETCO voluntarily amended, to OPS's satisfaction, TETCO's operation and maintenance plans and procedures to enhance the quality of its rights-of-way patrols;

Pursuant to the pipeline safety laws at 49 U.S.C. § 60101 et seq., and the regulations in 49 C.F.R. Part 190, TETCO and RSPA (also referred to as the Parties) have agreed to enter into a Consent Agreement to settle all of the allegations of the Notice according to the following terms:

1. For purposes of this proceeding, TETCO, as owner and operator of the gas pipeline facilities to which the Notice applies, is subject to the jurisdiction of the pipeline safety laws at 49 U.S.C. § 60101 et seq., regulations promulgated thereunder, and administrative orders issued thereunder;

2. TETCO consents to the issuance of an administrative order (Consent Order) incorporating the terms of this Agreement and waives any further procedural requirements, other than notice, with respect to its issuance and all rights to seek judicial review or otherwise contest its validity.

3. This Agreement constitutes a settlement of all allegations of the Notice. OPS has alleged certain violations of its regulations, and TETCO disputes the legal and factual bases of these allegations. OPS has not, and will not, issue a Final Order in this matter making findings of violation. Instead, in the spirit of cooperation and in recognition that any litigation costs could be better spent to serve pipeline safety, OPS and TETCO have agreed to enter into this Agreement.

4. Nothing in this Agreement bars RSPA from taking action, other than with respect to any matter covered by this Agreement, to address any violation or hazardous situation that may arise with respect to the facilities covered by the Notice.

5. Any actions that the terms of this Agreement require are in addition to duties imposed on TETCO by the pipeline safety laws and the regulations promulgated thereunder. Compliance with the terms of this Agreement shall not excuse any failure to comply with the pipeline safety laws and the regulations promulgated thereunder, except to the extent that the terms of this Agreement are more restrictive.

6. This Agreement constitutes the entire agreement of the Parties and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions among the Parties, whether oral or written, with respect to the subject matter hereof. The terms of this Agreement control in case of an inconsistency with the record in this matter.

7. TETCO agrees to conduct three pipeline safety projects that are described in the Addendum to this Agreement.

8. TETCO has submitted a detailed implementation plan and schedule covering each of the three pipeline safety projects, which is also part of the Addendum to this Agreement. The OPS Eastern Regional Director (Regional Director) has approved this plan.

9. The Notice; the inspections carried out by OPS on May 9-12 and June 6-24, 1994; TETCO's Request for Hearing, dated June 28, 1995; TETCO's Response to the Notice of Amendment, dated July 14, 1995; TETCO's response to the alleged violations; TETCO's performance of the three pipeline safety projects (set forth in the Addendum to this Agreement); this Agreement and its entry; the Warning Letter issued by OPS to TETCO, dated May 23, 1995; and TETCO's performance of any action contemplated hereunder, as well as all other actions or communications of the Parties with respect to any of the above, shall not constitute any evidence or an admission on TETCO's part, or be admitted into evidence, in whole or in part, in any proceeding or litigation in any court, agency or forum for any reason, whatsoever, as the contents of this Agreement are for the exclusive benefit of the Parties.

In particular, but in no way limiting the above provision, none of the above-mentioned documents, actions or communications shall constitute any evidence or an admission on TETCO's part, that any of the conditions alleged in the Notice existed or were the cause, or a cause, proximate or otherwise, of any accident, or damages, if any, resulting therefrom including, but not limited to, the natural gas incident that occurred on March 23, 1994 in Edison, New Jersey.

10. If during the performance of the three pipeline safety projects, the Regional Director determines that a modification to a project is needed, he shall notify TETCO of his planned modification. A proposed modification will not become effective unless agreed to by TETCO.

11. TETCO is entitled to petition the Associate Administrator for Pipeline Safety to amend this Agreement. TETCO is entitled to petition the Regional Director to modify any of the required projects for good cause shown or where operational or technical difficulties make it impractical for TETCO to adhere to schedules called for in the projects. A requested modification to any of the pipeline safety projects will not become effective unless approved by the Regional Director. TETCO may appeal a denial to the Associate Administrator for Pipeline Safety.

12. Should any dispute between OPS and TETCO arise concerning any

activity called for in this Agreement, OPS and TETCO shall attempt to resolve the matter informally. However, OPS is not precluded from taking immediate administrative enforcement, if necessary.

13. This Agreement shall terminate upon the completion of all activities and requirements set forth in this Agreement, including the Addendum, or earlier upon mutual agreement by OPS and TETCO.

OFFICE OF PIPELINE SAFETY
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

/s/ Richard B. Felder

Date: 01/27/98

Richard B. Felder
Associate Administrator for
Pipeline Safety

TEXAS EASTERN TRANSMISSION CORPORATION

H.D. Church
Senior Vice President
Texas Eastern Transmission
Corporation

Date: _____