WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 18, 1999

William H. White Vice President of Operation Columbia Gas Transmission Corporation 1700 MacCorkle Avenue SE Charleston, WV 25325

CPF No. 27104-W

Dear Mr. White:

On April 2-4, 1997, Derick Turner, 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 the Columbia Gas Transmission Corporation pipeline facilities and records at Lancer, Kentucky.

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

The items inspected and the probable violations are:

1. §192.467(a) requires that each buried or submerged pipeline must be electrically isolated from other underground metallic structures, unless the pipeline and the other structures are electrically interconnected and cathodically protected as a single unit.

Inspection of the Beaver Creek Compressor Station revealed that the metal walk way on the suction and discharge piping side of the building was in contact with the pipeline creating a problem with electrical isolation.

2. § 192.603(b) requires the operator to keep records necessary to administer the procedures established under §192.605.

In reviewing valve maintenance as required by §192.745, records for maintenance of valves at the Boldman Compressor Station during the calendar year of 1995 were not found on file. The operator stated that the maintenance had been performed, but could not find the records.

3. § 192.705(a) requires the operator to have a patrol program to observe surface conditions on and adjacent to the transmission line right-of-way for indications of leaks, construction activity, and other factors affecting safety and operation.

A field inspection of the Lancer Area found that the right-of-way at the Bull Creek Tap has not been adequately maintained for discovering indications of leaks, construction activity, and other factors affecting safety and operation.

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 violations 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 27104-W in any correspondence or communication on this matter.

Sincerely,

Frederick A. Joyner Director, Southern Region Office of Pipeline Safety cc: Compliance Registry, OPS Headquarters

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cc: DPS-20.1, Regions, Derick