WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 28, 1997

Mr. Gilmer Abel
Senior Vice President Operations
Tennessee Gas Pipeline Company
1001 Louisiana Street
Houston, TX 77001

CPF No. 27109W

Dear Mr. Abel:

On March 3-7 and April 2-4,1997, Dallas Rea, a representative of the Southern Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, performed pipeline safety inspections covering areas of your (Tennessee Gas Pipeline's) operation in northern Mississippi, Tennessee, and southern Kentucky. Records were reviewed at the Lobelville, Centerville, Portland, Middleton, and Savannah, TN offices and at the New Albany, MS office.

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

The items inspected and probable violations are:

1. ***§192.745 Valve maintenance: Transmission lines.***

Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15-months, but at least once each calendar year.

Four (4) of Station 79's 8-inch emergency shutdown system valves were not operated during 1996, and had last been operated on 10/12/95.

2. *§192.167 Compressor stations:Emergency shutdown.*

> *(a) Except for unattended field compressor stations of 1,000 horsepower or less, each compressor station must have an emergency shutdown system that meets the following:*
>
> > *(4) It must be operable from at least two locations, each of which is:*
> >
> > > *(i) Outside the gas area of the station;*
> > >
> > > *(ii) Near the exit gates, if the station is fenced, or near emergency exits, if not fenced; and,*
> > >
> > > *(iii) Not more than 500 feet from the limits of the station.*
>
> Although Station 79 (rebuilt, in service 12/91) is fenced and has four manual ESD operating stands, the ESD system is not operable from at least two locations that are near the station exit gates.

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 preliminarily assess you a civil penalty when and if the continued violations come to our attention.

Please refer to CPF No. 27109-W in any correspondence and/or communication on this matter.

Sincerely,

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

cc: Compliance Registry, OPS Headquarters

DALLAS/mw/DPS-25/5/27/97
FILE:CPF 27109-W/Tennessee GasPipeline Company
c:\wpwin\sue\warnltr\tenn109.wpd
cc: DPS-20-1, Regions, Dallas

NOTE TO MO: See the below that we discussed earlier. Based on the code (excluding co.procedures that "exceed" min.standards), Tenn was not required to do anything on the gouges, because serviceability was not impaired (thinnest remaining w.t. exceeds existing MAOP and class location requirements for new pipe design). Even though Tenn did not follow their gouge removal procedure, they followed their full encirclement gouge repair procedure that is allowed where serviceability is impaired, which is fully acceptable. I recommend that we tell Al Minton that they need to revise their procedures if they do these type repairs in the future, and to document such in the base report. I don't think we should cite them in a letter for something like this, as they went well above 192 min. repair reqmts.

Tennessee performed a pipeline repair (third party damage : scratches and gouges) on the 30" 800 line at 855-1 + MP 3.97 in June,1996. Tennessee's O & M procedures require gouges and scratches discovered on pressure piping in service to be removed by grinding, unless serviceability is impaired. Although pipeline serviceability was not affected by the damage, and would not have been expected to have been affected if the gouges were removed by grinding, Tennessee opted to repair the damage by light grinding and installation of a full encirclement welded reinforcement-type split sleeve. Tennessee did not follow written repair procedures in that the gouges were not removed by grinding.

Additional Notes to Mo.

- Compressor Station / Pipeline overpressure protection changes.
Tennessee has installed high discharge pressure switches on each of their reciprocating units discharge piping (sensor located on discharge line between compressor unit and unit discharge isolation valve) as primary overpressure protection of compressor piping (192.169), and the downstream pipeline (192.195). They continue to annually inspect and maintain their compressor unit relief valves and station discharge header relief valves, but will not in the future perform relief valve capacity calculations on unit or discharge header relief valves, since these devices are "secondary", and are not necessary to be installed per 192. If we made Tennessee perform the calculations (ref. 192.731 . . . 192.739 & 192.743) and they turned out not to have capacity for flowing conditions, Tennessee could remove the relief valves, or say that the relief valves will always be of sufficient capacity because they are not necessary for overpressure protection.
Comments:
Similar philosophy as Trunkline's. Tennessee's OM Manual does not <u>specifically</u> address their change of not reverifying these relief valves' capacities. Reference attached procedure # 739 in that capacity reviews will be made by their Pipeline Services and Compressor and Automation Services Departments to determine that they are adequate to meet the requirements specified by their procedures 169 and 199 (also attached). Tennessee's procedures appear to allow Tennessee to comply with overpressure protection utilizing relief devices <u>or</u> other suitable protective devices, but not necessarily both.

Recommended action: None

- Although Tennessee's aerial patrol reports document observations of activities and conditions at specific points along the pipeline, some of the reports do not adequately document that the entire pipeline (from district beginning to end) was patrolled. **Tenn knew about this and is in the process of fixing. . . . This will be documented in the base report.**

- Above ground creek crossing pipe, 30" 861-1 line at MP 3.41 (creek span in a bottom) was not marked in accordance with 192.707(c), which requires marking of above ground facilities in areas accessible to the public (Dist 87). Also, (District 71) needed markers at mlv setting 68. **These were covered in exit interview and are indicated on the base report.**

- Drug plan discrepancy similar to the stuff that Mike found on E. Tenn will be on base report, and **will reference his letter to E. Tenn.**

14' of class 1 designed pipe installed in existing class 2 area in 1991, thus violating new pipe design requirements (192.105/192.111). Design oversight during 1991 road crossing change out. MAOP officially reduced on 1/22/97from 936 to 911 psig. They rely on pressure drop, with a scada alarm setpoint and upstream station discharge header relief valve for overpressure protection (see documentation attached to the base report). Tennessee discovered the discrepancy and fixed it prior to my visit. More of a paper change than an actual overpressure problem, in that the listed MAOP reduction was 25 psig and the segment is 55 miles downstream of the 936 MAOP compressor station discharge. . . is extremely unlikely that the pipe ever saw anything close to these pressures. **Will be in base report, but I do not recommend putting in the letter. Tennessee discovered, and addressed the problem.** From practical standpoint, is a paper change only.