WARNING LETTER

<u>CERTIFIED MAIL - RETURN RECEIPT REQUESTED</u>

July 24, 1997

Gilmer Abel Senior Vice President, Operations East Tennessee Natural Gas Company 1001 Louisiana Street Post Office Box 2511 Houston, Texas 77252-2511

CPF No. 27110-W

Dear Mr. Abel:

From 2 to 4 June 1997, Michael Schwarzkopf 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 pipeline facilities in the state of Virginia and records at Glade Spring, Virginia.

As a result of the inspection, 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 the probable violations are:

1. § 192.465 (d) requires that "Each operator take prompt remedial actions to correct any deficiencies indicated by the monitoring."

East Tennessee Natural Gas did not promptly repair the test lead at location 130 + 42 in Valve Section 3315-1. Readings on the test lead were not taken in 1994 and 1995 due to the test lead being broken.

2. § 192.705 (a) requires that "Each operator shall 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."

The right-of-way was overgrown with vegetation to the extent that surface conditions could not be observed from ETNG's aerial patrol, or by foot patrolling in the following areas: Elliston Meter Station and on the west bank of the New River.

3. § 192.167(a)(4) requires that the Emergency Shutdown System (ESD) must be operable from at least two locations, each of which is: outside the gas area of the station; near the exit gates, if the station is fenced, or near emergency exits, if not fenced; and not more than 500 feet from the limits of the station.

At the Rural Retreat Compressor Station, the station was fenced and had two (2) ESD locations outside of the gas area, but the ESD locations were not near the 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 violations 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 No. 27110-W in any correspondence and/or communication on this matter.

Sincerely,

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

cc: Compliance Officer, OPS Headquarters

Mike/mw/DPS-25/7/23/97

FILE: CPF: 27110-W/East Tennessee Natural Gas Company

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