

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 24, 1997

Ralph Neumann
Vice President
Ozark Gas Transmission System
NGC Corporation
First Interstate Plaza
1000 Louisiana, Suite 5800
Houston, Texas 77002

CPF No.27111-W

Dear Mr. Neumann:

From 16 to 19 March 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 Arkansas and records at Fort Smith, Arkansas.

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. **§ 192.16 (c) requires that each operator notify each customer, not later than August 14, 1996, of the maintenance requirements and potential hazards listed in § 192.16 (b).**

Ozark Gas Transmission has not notified their direct sale industrial customers of the customer's maintenance responsibilities and the potential hazards listed in § 192.16 (b).

2. **§ 192.705 (b) requires that each operator shall patrol the transmission line right-of-way at least once a year, with a maximum interval between patrols of 15 months.** Ozark Gas Transmission exceeded the 15 month interval for patrolling their transmission line right-of-way in 1996.

<u>1995</u>	<u>1996</u>	<u>Days Over 15 Months</u>
12 April 95	15/16 August 96	34 days

3. **§ 192.745 requires that “Each transmission line valve that might be required during an emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.”**

Ozark Gas Transmission exceeded the 15 month interval between main line valve inspections in 1995 and 1996.

<u>Block Valve</u>	<u>Prior Yr</u>	<u>Late Yr</u>	<u>Days Over 15 Months</u>
# 1	940510	950920	41 days
# 1 Blowdown	940510	950920	41 days
# 2	940510	950920	41 days
# 2 Blowdown	940510	950920	41 days
# 3	940510	950920	41 days
# 3 Blowdown	940510	950920	41 days
# 4	940510	950920	41 days
# 4 Blowdown	940510	950920	41 days
# 5	940510	950920	41 days
# 5 Blowdown	940510	950920	41 days
# 6	940518	950920	33 days
# 6 Blowdown	940518	950920	33 days
# 7	940512	951009	58 days
# 7 Blowdown	940512	951009	58 days
# 8	940508	951009	62 days
# 8 Blowdown	940508	951009	62 days
# 10	940506	951009	64 days
# 10 Blowdown	940506	951009	64 days
# 11	940506	951009	64 days
# 11 Blowdown	940506	951009	64 days
# 13	950218	960715	56 days
# 13 Blowdown	950218	960715	56 days

4. **§ 192.615 (c) requires each operator to establish and maintain liaison with appropriate fire, police, and other public officials.**

Ozark Gas Transmission has not established mutual liaison with fire, police, and other public officials in all areas and counties that the pipeline is in.

5. **§ 192.614 (b) (6) (ii) requires that the operator's damage prevention program provide for inspections of pipelines that could be damaged during excavation activities, and that the inspection must include leakage surveys in the case of blasting.**

Ozark Gas Transmission's Damage Prevention Plan does not include leakage surveys in inspections of the pipeline after blasting during excavation activities.

6. **§ 192.481 requires the operator to take remedial action whenever necessary to maintain protection against atmospheric corrosion.**

There was medium pitting on the above ground delivery run piping to Texas Eastern Transmission at Searcy Station, the pitting was between the pipe and the last concrete pier.

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. 27111-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

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

**FILE: CPF: 27111-W/Ozark Gas Transmission System NGC Corp
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cc: DPS-20.1, Regions, Mike**

