

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 18, 1999

Mr. R. N. Lingham
Vice President
Midcoast
1100 Louisiana St., Suite 2950
Houston, TX 77002

CPF No. 29100W

Dear Mr. Lingham:

On March 15-19, 1999, Derick Turner and Greg Hindman, representatives 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 facilities and records at Muscle Shoals, Alabama..

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. §192.481 requires the operator to reevaluate each pipeline that is exposed to the atmosphere and take remedial action whenever necessary to maintain protection against atmospheric corrosion.**

The field inspection of the pipeline system found several areas needing remedial action against atmospheric corrosion such as the valve box on the Champion 6" lateral, valve on the southside of Tennessee River crossing and the control lines of valve operators at the Tombigbee River crossing.

- 2. §195.605(b)(3) requires that the procedural manual for operations, maintenance, and emergencies provide for making construction records, maps and operating history available to appropriate operating personnel.**

The field valve books which contain pipeline system and station drawings used for operations, maintenance and emergency response were not up-to-date.

3. **§192.705 requires the operator to have a patrol program to observe surface conditions on and adjacent to the transmission line right-of-way that would affect safety. For class 3 locations where the line crosses highway and railroad crossings, patrolling is done 4 times a year at intervals not exceeding 4 1/2 months.**

A review of patrolling records found that the class 3 crossing locations were patrolled only 3 times in 1997 and not the required 4 times.

During the field inspection of the system it was observed that the right-of-way east of the Corinth Station needed clearing.

4. **§192.731 requires the operator to inspect each pressure relieving device in a compressor station in accordance with 192.739, 192.743 and periodically operate the device to determine that it opens at the correct set pressure. Also each remote control shutdown device must be inspected and tested at intervals not exceeding 15 months, but annually.**

A review of the maintenance records for the Sheffield and Decatur Compressor stations found that inspection of the relief devices and ESDs were done in October 1997 and January 1999, but not in 1998.

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.

Sincerely,

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