

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 15, 1998

Mr. H. D. Church
Senior Vice President
Algonquin Gas Transmission Company
1275 Soldiers Field Road
Boston, MA 02135

CPF No. 18102W

Dear Mr. Church:

On August 20-22, 1997 and September 30, 1997, a representative of the Eastern Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an on site examination of Algonquin Gas Transmission Company's (AGT) facilities in the New Jersey area. As a result of the inspection, it appears that you have committed the probable violations as noted below of pipeline safety regulations, Title 49, Code of Federal Regulations, Part 195.

The items inspected and the probable violations are:

- 1. § 192.736(b)(2), whereby except when shutdown of the system is necessary for maintenance under Paragraph (c) of this section, each gas detection and alarm system required by this section must warn persons about to enter the building and persons inside the building of the danger.**

Your gas detection system in the Hanover Compressor building reports to the local control room and to the Gas Control center, but does not alert personnel in the compressor building.

- 2. § 192.705(a), whereby 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 immediately north (downstream) of Cedar Grove Road, in Somerset County, New Jersey has overgrowth estimated to be five years old, reaching heights of six feet. The duration of the overgrowth is 500-800 feet. Monitoring the condition of the line in this area is hampered by overgrowth.

3. § 192.703(b), whereby each segment of pipeline that becomes unsafe must be replaced, repaired, or re-moved from service.

The whistler plug on the 26-inch launcher door at Lambertville is broken and in need of repair. There is also a service valve in the kicker line of the same launcher lacking a safety plug.

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 persist 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 this violation, we will take enforcement action when and if the continued violation 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,

William H. Gute
Eastern Regional Director
Office of Pipeline Safety

BCOY/sj/DPS-24/(609) 989-2180/1/15/98
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