

Samuel L. Dozier
Vice President
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June 18, 2007

**VIA OVERNIGHT DELIVERY
AND FACSIMILE**

Ms. Linda Daugherty
Director, Southern Region
Pipeline and Hazardous Material Safety Administration
U.S. Department of Transportation
233 Peachtree Street, Suite 600
Atlanta, GA 30303

Re: Carolina Gas Transmission Corporation, CPF 2-2007-1010
Request For Hearing and Statement of Issues

Dear Ms. Daugherty:

On May 22, 2007, Carolina Gas Transmission Corporation ("CGT") received a Notice of Probable Violation and Proposed Compliance Order ("Notice") dated May 22, 2007, issued by the Southern Region of the Department of Transportation's Office of Pipeline and Hazardous Materials Safety Administration ("PHMSA"). In the Notice, based on its review of CGT's Integrity Management Program ("IMP") conducted in Columbia, South Carolina, during the weeks of October 2-5 and 23-26, 2006, PHMSA states that it appears that CGT has committed probable violations of the IMP provisions of the pipeline safety regulations.

CGT will comply with the warning item and Proposed Compliance Order Items 1, 2, and 4 within 90 days of the final notice. In addition, CGT will track and submit to the Regional Director all costs associated with fulfilling this Compliance Order. However, CGT requests additional time to comply with Proposed Compliance Order Item 3, which states that, in regard to Item Number 3B of the Notice, CGT must "fully develop a threat evaluation and P&M alternatives with all appropriate factors included into the evaluation, especially the likelihood and consequence factors. The risk process should also be appropriately linked to the P&M process."

In order to comply fully with Proposed Compliance Order Item 3, CGT requests an extension of time to December 31, 2007. This extension is needed so that CGT can (1) obtain from the vendor a new version of the risk ranking model; (2) populate the risk ranking model with the necessary data, including data regarding P&M measures; and (3) revise CGT's integrity management procedures to document the nature and operation of the new risk ranking model.

To the extent this request for an extension of time to respond to Proposed Compliance Order Item 3 is denied, CGT hereby requests a hearing pursuant to 49 C.F.R. § 190.211(a) and the Notice's instructions. The purpose of the hearing would be to discuss the scope and nature of

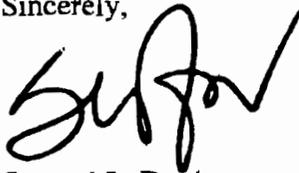
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Proposed Compliance Order Item 3, and to explain the steps CGT believes are necessary to bring CGT into compliance with the IMP regulations. Pursuant to 49 C.F.R. § 190.211(e), CGT requests that the materials in the agency's case files be provided to CGT at least 30 days before any hearing date. During the hearing process, CGT will be represented by counsel.

CGT respectfully requests that any correspondence and communications regarding this request for a hearing be directed to the following:

Laura A. Comstock
Supervisor, Safety and Compliance
Carolina Gas Transmission Corporation
105 New Way Road
Columbia, South Carolina 29224-2407

Sincerely,



Samuel L. Dozier
Vice President,
Commercial and Field Operations

cc: B. Craig Collins
T. Wayne Vermullen