



U.S. Department
of Transportation

**Research and
Special Programs
Administration**

400 Seventh Street, S.W.
Washington, D.C. 20590

AUG 17 2001

Ms. Patricia A. Shelton
President
El Paso Natural Gas Company
2 North Nevada Avenue
Colorado Springs, CO 80903

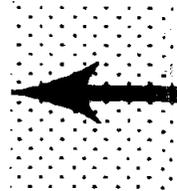
Re: CPF No. 4-2001-1004

Dear Ms. Shelton:

Enclosed is the Consent Order in the above-referenced case issued by the Associate Administrator for Pipeline Safety. Your receipt of the enclosed document constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

for Anne-Marie Joseph
Gwendolyn M. Hill
Pipeline Compliance Registry
Office of Pipeline Safety



Enclosure

cc: Mr. Michael Bromwich
Fried, Frank, Harris, Shriver & Jacobson

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
WASHINGTON, DC

In the Matter of)
)
El Paso Natural Gas Company,) CPF No. 4-2001-1004
)
Respondent.)
)

AUG 17 2001

CONSENT ORDER

By letter dated June 20, 2001, the Office of Pipeline Safety (OPS), Research and Special Programs Administration (RSPA), U.S. Department of Transportation, issued to El Paso Natural Gas Company (El Paso) a Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order (Notice) in this case. The Notice proposed to require El Paso to demonstrate the qualification of certain individuals who perform covered tasks on several of El Paso's natural gas lines to implement El Paso's internal corrosion procedures.

El Paso disputed each of the probable violations set out in the Notice and requested additional time to provide its written submission and/or informal hearing presentation demonstrating that the company had not committed violations of the pipeline safety regulations.

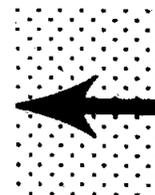
By the attached Agreement, El Paso and OPS have agreed to the issuance of this Consent Order, which provides for El Paso, in accordance with an expedited schedule, to submit a plan for demonstrating and evaluating the qualification of certain individuals who perform internal corrosion tasks on Lines 1100, 1103 and 1110.

Accordingly, I hereby incorporate the terms of the attached Agreement and issue this Consent Order.

Failure to comply with this Consent Order may result in the assessment of civil penalties of up to \$25,000 per violation per day, or in the referral of the case for judicial enforcement. The terms and conditions of this Consent Order are effective upon receipt.


Stacey Gerard
Associate Administrator
for Pipeline Safety

AUG 17 2001
Date Issued



Attachment

Consent Agreement Between)
)
Research and Special Programs Administration)
)
And)
)
El Paso Natural Gas Company)
)

CPF No. 4-2001-1004

AGREEMENT

WHEREAS, pursuant to 49 U.S.C. § 60101 et seq., the Office of Pipeline Safety (OPS), Research and Special Programs Administration (RSPA), U.S. Department of Transportation, issued a Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order (Notice) on June 20, 2001 in this case;

WHEREAS, the Notice applies to Lines 1100, 1103, 1110, which are natural gas pipeline facilities owned and operated by El Paso Natural Gas Company (El Paso);

WHEREAS, the Notice proposed to require El Paso to demonstrate the qualification of certain individuals who perform covered tasks on these lines to implement El Paso's internal corrosion procedures;

WHEREAS, by letter dated July 16, 2001, El Paso disputed each of the probable violations set out in the Notice and requested additional time to provide its written submission and/or informal hearing presentation demonstrating that no violations of the pipeline safety regulations have been committed by the company. El Paso seeks sufficient time to evaluate and present all relevant facts presented in the Notice;

WHEREAS, pursuant to the pipeline safety laws at 49 U.S.C. § 60101 et seq., and the regulations in 49 C.F.R. Part 190, El Paso and OPS (also referred to as the Parties) agree as follows:

1. For purposes of this Agreement and any enforcement proceedings related to enforcement of this Agreement, El Paso, as owner and operator of the gas pipeline facilities to which the Notice applies, is subject to the jurisdiction of the pipeline safety laws at 49 U.S.C. § 60101 et seq., regulations promulgated thereunder, and administrative orders issued thereunder.
2. El Paso consents to the issuance of an administrative order (Consent Order) incorporating the terms of this Agreement and waives any further procedural requirements, other than notice, with respect to its issuance and all rights to seek judicial review or otherwise contest its validity.

3. This Agreement does not constitute a settlement of any of the allegations in the Notice. OPS has alleged certain violations of its regulations, and El Paso denies these allegations. Because OPS wishes to ensure that the schedule proposed in the Notice concerning the qualification of individuals performing internal corrosion tasks on the above-referenced lines is adhered to, and because El Paso seeks more time to respond to the Notice, OPS and El Paso have agreed to enter into this Agreement.

4. This Agreement does *not* constitute an admission of liability by El Paso as to any aspect of any of the allegations contained in the Notice. This Agreement also does *not* constitute a finding of liability by OPS as to any aspect of any of the allegations contained in the Notice.

5. In consideration for El Paso agreeing to demonstrate, according to the terms of this Agreement, the qualification of certain individuals who perform internal corrosion tasks on Lines 1100, 1103 and 1110, OPS will allow El Paso until October 15, 2001 to prepare its written response to the Notice and will not schedule an informal hearing until after that date.

6. Nothing in this Agreement bars RSPA from taking action, other than with respect to any matter covered by this Agreement, to address any violation or hazardous situation that may arise with respect to the facilities covered by the Notice.

7. Any actions that the terms of this Agreement require are in addition to the duties imposed on El Paso by the pipeline safety laws and the regulations promulgated thereunder. Compliance with the terms of this Agreement shall not excuse any failure to comply with the pipeline safety laws and the regulations promulgated thereunder, except to the extent that the terms of this Agreement are more restrictive.

8. This Agreement constitutes the entire agreement of the Parties and supersedes all prior or contemporaneous agreements, understandings, negotiations and discussions among the Parties, whether oral or written, with respect to the subject matter hereof. The terms of this Agreement control in case of an inconsistency with the record in this matter.

9. El Paso agrees to submit to the Office of Pipeline Safety's Southwestern Regional Director (Regional Director) for approval a qualification plan required under 49 C.F.R. §192.809 addressing the covered tasks required to implement El Paso's internal corrosion procedures on Lines 1100, 1103 and 1110. El Paso further agrees to submit the plan to the Regional Director within ten (10) days after the date a Consent Order is issued.

10. El Paso agrees to accelerate the completion of qualification of individuals who perform covered tasks to implement El Paso's internal corrosion procedures referenced in paragraph 9 on Lines 1100, 1103 and 1110 to complete their qualification by December 31, 2001. Qualification covers all individuals who perform covered tasks to implement the internal corrosion control procedures on Lines 1100, 1103 and 1110, including, corrosion personnel, gas control controllers and operations personnel who are responsible for conducting sampling and communicating results to corrosion personnel.

11. El Paso agrees to develop and utilize an evaluation method to qualify the individuals performing the covered tasks referenced in paragraph 9 on Lines 1100, 1103 and 1110 that are the subject of this agreement. The evaluation method will not rely solely on work performance history review. El Paso further agrees to submit this method to the Regional Director for approval.

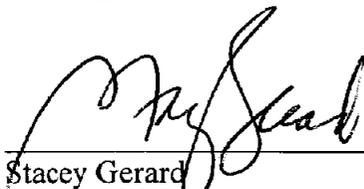
12. El Paso agrees to submit a progress report to the Regional Director on the qualification of individuals performing the covered tasks referenced in paragraph 9 on Lines 1100, 1103 and 1110 covered by this Agreement by October 1, 2001 and a final report by February 1, 2002.

13. If the Regional Director finds the qualification plan (paragraph 9) or evaluation method (paragraph 11) inadequate, he shall within 15 days of receipt of the plan or evaluation method, notify El Paso of his comments and of any proposed revisions. El Paso may either accept the proposed revisions or meet with the Regional Director to attempt to resolve any differences. If the Regional Director does not provide any comments and/or proposed revisions within 15 days of receipt of the plan and/or evaluation method, then El Paso may deem the plan and/or evaluation method as accepted. This provision does not modify the rights of RSPA or El Paso to enforce the terms of the Consent Order by the manner prescribed by law.

14. El Paso may petition the Regional Director to extend a compliance date, by no more than three weeks, where operational or technical difficulties make it impractical for El Paso to adhere to the agreed upon dates. A requested extension will not become effective unless approved by the Regional Director. El Paso may appeal a denial to the Associate Administrator for Pipeline Safety.

15. Should any dispute between OPS and El Paso arise concerning any activity called for in this Agreement, OPS and El Paso shall attempt to resolve the matter informally. However, OPS is not precluded from taking immediate administrative enforcement, if necessary. Similarly, El Paso is not precluded from taking any administrative or legal action, if necessary.

OFFICE OF PIPELINE SAFETY
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION



Stacey Gerard
Associate Administrator for
Pipeline Safety

Date: AUG 17 2001

EL PASO NATURAL GAS COMPANY



Thomas P. Morgan

Date: 15 August 2001