



U.S. Department
of Transportation

**Research and
Special Programs
Administration**



DEC 18 2002

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

DEC - 3 2002

Mr. Bob A. Dahlin, II
Manager, Pipeline Design & Services
Evan Energy Company, L.C.
1999 East Stone Drive, Suite 201
Kingsport, TN 37660

Re: CPF No. 1-2002-0002M

Dear Mr. Dahlin:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes a finding of inadequate procedures and requires that you revise certain of your Operating and Maintenance Procedures. When the terms of the Order are completed, as determined by the Director, Eastern Region, OPS, this enforcement action will be closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

Gwendolyn M. Hill
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590

In the Matter of:)

Evan Energy Company, L.C.,)

Respondent.)

CPF No. 1-2002-0002M

FINAL ORDER

On August 7, 2001, pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of Evan Energy Company's (Respondent's) Red Onion Mountain Prison pipeline facilities and records in Wise County, Virginia. As a result of the inspection, the Director, Eastern Region, OPS, issued to Respondent, by letter dated January 25, 2002, a Notice of Amendment (NOA). In accordance with 49 C.F.R. § 190.237, the NOA alleged inadequacies in Respondent's Operating and Maintenance Procedures and proposed that Respondent amend its procedures.

AMENDMENT OF PROCEDURES

Respondent did not respond to the NOA within 30 days after receiving the NOA. Respondent's failure to respond waives its right to contest the NOA and authorizes me to find the facts as alleged in the NOA and to issue a Final Order directing amendment of Respondent's procedures. Accordingly, I find that Respondent's operations and maintenance procedures are inadequate to ensure safe operation of its pipeline system. Pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237, Respondent is ordered to make the following revisions to its procedures as more fully described in the NOA.

Respondent must:

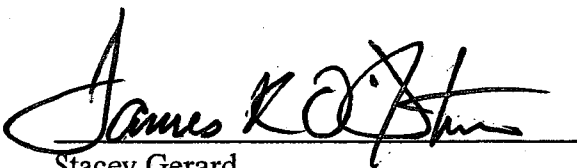
1. Amend its Operating and Maintenance Procedures to reflect the requirement that the annual report for its transmission system must be submitted each year, not later than March 15, for the preceding calendar year, in accordance with 49 C.F.R. § 191.17.
2. Amend its Operating and Maintenance Procedures to include instructions for identifying safety-related conditions so that its personnel performing pipeline operations and maintenance tasks can recognize and report conditions that potentially may be safety-related, in accordance with 49 C.F.R. § 192.605(d).

3. Amend its Operating and Maintenance Procedures to include procedures for periodically reviewing the work performed by its personnel to determine the adequacy and effectiveness of the procedures used in normal operations and maintenance, in accordance with 49 C.F.R. § 192.605(b).
4. Amend its Operating and Maintenance Procedures to reflect the requirement that adequate precautions must be taken in excavated trenches to protect personnel from unsafe accumulations of vapor or gas, including that a breathing apparatus be available when needed, in accordance with 49 C.F.R. § 192.605(b)(9).
5. Amend its Operating and Maintenance Procedures to include procedures for abnormal operations to respond to, investigate, and correct the cause of: unintended closure of valves or shutdowns; operation of any safety device; and any other foreseeable malfunction of a component, deviation from normal operation, or personnel error, which may result in a hazard to persons or property, in accordance with 49 C.F.R. § 192.605(c)(1).
6. Amend its Operating and Maintenance Procedures to include procedures for checking variations from normal operation after abnormal operation has ended at sufficient critical locations in the system to determine continued integrity and safe operation, in accordance with 49 C.F.R. § 192.605(c)(2).
7. Amend its Operating and Maintenance Procedures to include procedures for notifying responsible operator personnel when notice of an abnormal operation is received, in accordance with 49 C.F.R. § 192.605(c)(3).
8. Amend its Operating and Maintenance Procedures to include procedures for periodically reviewing the response of operator personnel in controlling abnormal operation and taking corrective action where deficiencies are found, in accordance with 49 C.F.R. § 192.605(c)(4).
9. Amend its Operating and Maintenance Procedures to include procedures for continuing surveillance of its facilities to determine and take appropriate action concerning changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions, in accordance with 49 C.F.R. § 192.613(a). If a segment of pipeline is determined to be in unsatisfactory condition but no immediate hazard exists, the operator must take action to recondition or phase out the segment involved, or, if the segment cannot be reconditioned or phased out, to reduce the maximum allowable operating pressure, in accordance with 49 C.F.R. § 192.613(b).
10. Amend its Operating and Maintenance Procedures for its damage prevention program to include procedures for follow-up inspection of pipelines that it has reason to believe could be damaged by excavation activities, in accordance with 49 C.F.R. § 192.614(c)(6).

11. Amend its Operating and Maintenance Procedures to include procedures for analyzing accidents and failures, including the selection of samples of the failed facility or equipment for laboratory examination, where appropriate, for the purpose of determining the causes of the failure and minimizing the possibility of a recurrence, in accordance with 49 C.F.R. § 192.617.
12. Amend its Operating and Maintenance Procedures to include procedures for testing new segments of pipeline, or returning to service a segment of pipeline that has been relocated or replaced, in accordance with applicable testing requirements to substantiate the maximum allowable operating pressure, in accordance with 49 C.F.R. § 192.503.
13. Amend its Operating and Maintenance Procedures to reflect the requirement that each tap made on a pipeline under pressure must be performed by a crew qualified to make hot taps, in accordance with 49 C.F.R. § 192.627.
14. Amend its Operating and Maintenance Procedures to include procedures for addressing the reduction in pipeline wall thickness caused by localized or general corrosion, in accordance with 49 C.F.R. § 192.485.

Respondent must submit the amended procedures to the Regional Director, Eastern Region, OPS, within 90 days following receipt of this Final Order. The Regional Director may extend the period for complying with the required items if the Respondent requests an extension and adequately justifies the reasons for the extension.

Failure to comply with this 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 Order are effective upon receipt.



Stacey Gerard

407 Associate Administrator
for Pipeline Safety

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Date Issued