

APR 3 2009

Mr. Craig Massey
President
Evan Energy Company, LC
4 North Fourth Street, Suite 100
Richmond, Virginia 23219

Mr. John Ebert
President
Appalachian Natural Gas Distribution Company
271 West Main Street, Suite 200
Abingdon, Virginia 24210

Re: CPF Nos. 1-2003-0002; 1-2002-0003; and 1-2002-0002M

Dear Mr. Massey and Mr. Ebert:

I am writing in reference to the Final Order issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA) in the above-referenced enforcement actions on September 1, 2005, to Evan Energy Company, LC (Evan), regarding the company's 10-mile intrastate gas transmission pipeline that serves the Red Onion State Prison in Pound, Virginia (Final Order). The Final Order required Evan to take certain actions to ensure compliance with the Federal Pipeline Safety laws and to revise its written safety procedures. While some of these actions have been completed to date, it appears that others may not have been fully satisfied.

As you are aware, the Virginia State Corporation Commission (SCC) has recently assumed jurisdiction over all intrastate gas pipelines in Virginia pursuant to legislation enacted by the Virginia General Assembly in 2005. The SCC currently inspects all intrastate gas pipelines and carries out other pipeline safety responsibilities in Virginia under certification from PHMSA pursuant to 49 U.S.C. § 60105. The SCC has informed PHMSA that Appalachian Natural Gas Distribution Company (Appalachian) is the new owner and operator of this line, as of January 1, 2008, and that it has made progress in completing the requirements of the Final Order.

Therefore, in accordance with the foregoing certification, PHMSA hereby transfers all of its rights and authority under the September 1, 2005 Final Order, to the SCC. Accordingly, the pending PHMSA enforcement actions [CPF Nos. 1-2003-0002, 1-2002-0003, and 1-2002-0002M] involving Evan and its successor-in-interest, Appalachian, are now closed.

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Any further questions you have regarding compliance with pipeline safety regulations should be directed to Mr. Massoud Tahamtani, Director, Division of Utility and Railroad Safety, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218.

Please note that originals of this letter have been sent to Evan Energy Company, LC and Appalachian Natural Gas Distribution Company.

Thank you both for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

cc: Byron Coy, Director, Eastern Region, PHMSA
Massoud Tahamtani, VA State Corporation Commission

CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7005 0390 0005 6163 7497]