



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W Dakota Ave., Suite 110
Lakewood, CO 80228

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 8, 2007

Mr. Steve Miller
Vice President
Energy West Development
2320 Mountain View Drive
Cody, WY 82414

SENT TO COMPLIANCE REGISTRY
Hardcopy Electronically
of Copies 1 / Date 2-9-07

CPF 5-2007-0002W

Dear Mr. Miller:

On July 17 through 20, 2006, and October 25, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Shoshone Pipeline and associated records in Cody, Wyoming.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. **§191.17 Transmission and gathering systems: Annual report.**
 - (a) **Except as provided in paragraph (b) of this section, each operator of a transmission or a gathering pipeline system shall submit an annual report for that system on Department of Transportation Form F RSPA 7100.2-1. This report must be submitted each year, not later than March 15, for the preceding calendar year.**

Energy West Development (EWD) submitted a late annual report for their Shoshone pipeline on October 13, 2006. The submittal was 212 days late.

2. §192.605 Procedural manual for operations, maintenance, and emergencies
Each operator shall include the following in its operating and maintenance plan:

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations..

(8) Periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance and modifying the procedure when deficiencies are found

EWD had no record of any periodic reviews of personnel work to determine the effectiveness and adequacy of procedures used in normal operation and maintenance activities.

3. §192.605 Procedural manual for operations, maintenance, and emergencies
Each operator shall include the following in its operating and maintenance plan:

(c) Abnormal operation. For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:

(4) Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.

EWD had no record of any periodic reviews of personnel work to determine the effectiveness and adequacy of procedures used in abnormal operation activities.

4. §192.615 Emergency plans.

(b) Each operator shall:

(2) Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective.

EWD had no record of any emergency training of operating personnel to assure that they are knowledgeable of emergency procedures and verification that the training is effective.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violations persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct

the items identified in this letter. Be advised that failure to do so will result in Energy West Development being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2007-0002W**.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Hoidal', is written over a faint, larger version of the same signature.

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 (G. Davis, 116725)