MoGas
Pipeline LLC



July 6, 2011

Mr. David Barrett
Director, Central Region
Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Suite 462
Kansas City, MO 64106-2641

Response to Notice of Amendment; CPF 3-2011-1008M
Response to Notice of Probable Violation: CPF 3-2011-1009

Dear Mr. Barrett:

In October and November, 2010, representatives of the Pipeline and Hazardous Materials Safety Administration inspected the MoGas Pipeline records and facilities in eastern Missouri and western Illinois. In June 2011, MoGas was informed of the Notice of Amendment and Notice of Probable Violation identified above.

While we generally do not contest the items listed in the Notice of Amendment, MoGas needs additional time to submit the requested revisions of MoGas procedures. Due to the quantity of items to be amended, we request a completion date of 12-31-2011.

With regard to the items listed in the Notice of Probable Violation, we respectfully take exception to the following items:

**Item 1**: MoGas contests the Proposed Compliance Order with respect to Item 1. The installed emergency shutdown (ESD) system at the Curryville compressor station meets and exceeds the requirements of §192.167.

To review, this ESD system incorporates the latest, state of the art, fire and gas detection equipment and is designed to automatically shut down and blow down the compressor station. Next, each of the four doorways for personnel to exit the compressor building contains an ESD switch to facilitate a manual shut down by station personnel should they be located in or near the compressor building and determine a need to activate an ESD. There are two additional ESD switches located between the station perimeter fence gates and the compressor building. These two ESD switches are approximately 125 and 280 feet away from the compressor building.

Section 192.167 merely states that the ESD switches should be "near" the exit gates if the station is fenced. Since this vague terminology is used in lieu of defining an actual quantitative distance, it is MoGas' opinion the ESD switches at the fuel skid and east door of the office warehouse are "near" the gates as required.

110 Algana Court Saint Peters, Missouri 63376 636-926-3668

Further, your letter also states that the ESD switch located at the fuel skid is not outside of the gas area. However, the south end of the Curryville fenced site contains three meter stations that are not part of the compressor station. One of these meters is the fuel meter and is located over 280 feet from the compressor building and the associated compressor piping. As such, the fuel skid mentioned in your letter is part of the meter station area and not compressor piping. Because §192.167 does not appear to apply to meter stations and the fuel skid is over 280 feet from the compressor building and compressor piping, there is no specific prohibition against the installation of an ESD switch at this location.

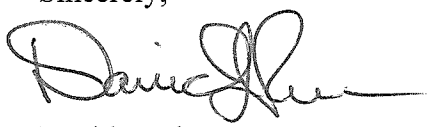
However, far more important than a mere location of an ESD switch within some certain distance of the exit gate, MoGas has gone one step further. This ESD system is also monitored through our SCADA system and can be actuated by gas control personnel. Thus an operator approaching the site can call gas control and shut down the station without opening the gate. Thus, through the technology available today, MoGas has gone beyond the requirements of the regulation by extending the manual activation of the ESD system outside the fenced area of the station.

Thus, the ESD system can be operated from *any* location, whether it is inside or outside the gas area, regardless of being near or far from an exit gate, by contacting Gas Control. It is MoGas' view that this capability substantially exceeds the requirement of this section of the code and certainly accomplishes its purpose. The additional costs that MoGas would incur by relocating the existing ESD switches substantially outweigh the possible incremental benefit, if any.

**Item 4:** MoGas does not contest this item but wishes to provide further explanation and request an extension of time in which to comply. MoGas was previously regulated by the Missouri Public Service Commission, which did not require the documentation of the annual inspection of the flow controllers and first cut regulators at the town border stations throughout the system. The reason was that MoGas could remotely monitor these devices through the SCADA system and be aware of a malfunction on an ongoing basis. That said, MoGas does complete an annual inspection of these devices and does not contest documenting these annual inspections. However, in light of the fact that MoGas agrees not to contest this Item and due to the burden of conducting an additional annual inspection, MoGas requests that the Proposed Compliance Order be amended to permit to submit the requested documentation to the Director within thirty (30) days of the end of the 2011 calendar year.

Please be assured that MoGas takes regulatory compliance very seriously. We are always looking for ways to improve the effectiveness of our compliance programs and safety of our operations. We welcome your continuing recommendations and guidance.

Sincerely;



David J. Ries
President