



U.S. Department of Transportation
Pipeline and Hazardous Materials
Safety Administration

DEC 23 2009

1200 New Jersey Ave, S.E.
Washington, D.C. 20590

Mr. Victor Gaglio
Senior Vice President of Operations
Columbia Gas Transmission Corp.
P.O. Box 1273
1700 MacCorkle Avenue, S.E.
Charleston, WV 25314

Re: CPF No. 1-2007-1016

Dear Mr. Gaglio:

Enclosed is the Final Order issued in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$67,000. I acknowledge receipt of your wire transfer of \$67,000 on January 11, 2008, and accept it as payment in full of the civil penalty assessed herein. Therefore, this case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

for Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Byron Coy, Director, OPS Eastern Region

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)	
Columbia Gas Transmission, LLC, formerly Columbia Gas Transmission Corporation,)	CPF No. 1-2007-1016
Respondent.)	

FINAL ORDER

Between April and August 2006, pursuant to 49 U.S.C. § 60117, a representative of the West Virginia Public Service Commission (WV PSC), as agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the storage facilities of Columbia Gas Transmission Corporation (Columbia or Respondent) in its West Virginia operating areas.¹ Columbia is owned by NiSource, Inc., an energy company engaged in natural gas transmission, storage and distribution, as well as electric generation, transmission and distribution. Respondent transports natural gas through a pipeline system consisting of more than 12,000 miles in ten states.

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Columbia, by letter dated December 4, 2007, a Notice of Probable Violation, Proposed Civil Penalty, and Warning (Notice). The Notice proposed finding that Columbia had committed certain violations of 49 C.F.R. Part 192 and assessing a civil penalty of \$67,000 for the alleged violations. The Notice also proposed finding that Respondent had committed a probable violation of 49 C.F.R. § 192.745 and warned Respondent to take appropriate corrective action or be subject to future enforcement action.

Respondent did not contest the allegations and submitted a wire transfer in the amount of the proposed civil penalty (\$67,000), thereby waiving further right to respond and authorizing the entry of this Final Order.

¹ Columbia converted from a corporation to a limited liability company, changing its name to Columbia Gas Transmission, LLC, effective December 9, 2008.

FINDINGS OF VIOLATION

Columbia did not contest the allegations in the Notice that it violated 49 C.F.R. Part 192, as follows:

Items 1A & 1B: The Notice alleged that Respondent violated 49 C.F.R. § 192.605(a), which states:

§ 192.605 Procedural manual for operations, maintenance, and emergencies.

(a) *General.* Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

Item 1A of the Notice alleged that Respondent violated 49 C.F.R. § 192.605(a) by failing to follow a manual of written procedures for conducting operations and maintenance activities on its pipeline. Specifically, it alleged that Columbia failed to conduct routine gas sampling at its Gladys Storage Field every four months, as required under the company's own Operating and Maintenance Manual (O & M Manual). Respondent's records revealed that sampling on the Line F1 tie-in at Well #7477 and on Line F2 at the Roach property occurred on June 1, 2004, but not again until December 6, 2004, which exceeded the required four-month interval by one month and five days.

In regards to Item 1B, the Notice alleged that Respondent also violated C.F.R. § 192.605(a) by failing to survey and patrol unfilled shorted casings with leak detection equipment at least two times per year, but at intervals not exceeding 7½ months. Specifically, it alleged that the company's O&M Manual required that Class 1 and 2 Patrols and Leakage Inspections be conducted at least twice a year, at a minimum of 7½-month intervals. The Notice alleged that Columbia exceeded this inspection interval for one particular casing (# 687984) located on Line F-1 at Pucket Ridge Road for the inspections conducted during 2003 and 2004. During calendar years 2005 and 2006, the company only conducted one survey of this casing.

Respondent did not contest these allegations of violation. Accordingly, having reviewed the evidence in the record, I find that Respondent violated 49 C.F.R. § 192.605(a) by failing to follow the procedures in its O&M Manual.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 192.736(b), which states:

§ 192.736 Compressor stations: Gas detection.

(a)

(b) Except when shutdown of the system is necessary for maintenance under paragraph (c) of this section, each gas detection and alarm system required by this section must-

(1) Continuously monitor the compressor building for a concentration of gas in air of not more than 25 percent of the lower explosive limit; and

(2) If that concentration of gas is detected, warn persons about to enter the building and persons inside the building of the danger.

The Notice alleged that Respondent violated 49 C.F.R. § 192.736(b) by failing to have a gas detection and alarm system that continuously monitored compressor buildings for a concentration of gas in air of not more than 25 percent of the lower explosive limit (LEL). Specifically, it alleged that Columbia's own records indicated that its gas detector equipment was calibrated to monitor for a concentration of gas in air of not more than *50 percent* LEL, rather than the required 25 percent.

Respondent did not contest this allegation of violation. Accordingly, having reviewed the evidence in the record, I find that Respondent violated 49 C.F.R. §192.736(b) by failing to monitor the compressor building for a concentration of gas in air of not more than 25 percent of the lower explosive limit.

Item 3: The Notice alleged that Respondent violated 49 C.F.R. § 192.736(c), which states:

§ 192.736 Compressor stations: Gas detection.

(a)

(c) Each gas detection and alarm system required by this section must be maintained to function properly. The maintenance must include performance tests.

The Notice alleged that Respondent violated 49 C.F.R. § 192.736(c) by failing to conduct performance tests on the gas detection and alarm system. During the inspection, Respondent produced records for the 2004-2006 calibration tests for the Glady and Terra Alta storage fields, but was unable to show that it also conducted performance tests for the gas detection and alarm system at these facilities. Accordingly, I find that Respondent violated 49 C.F.R. § 192.736(c) by failing to conduct these required performance tests.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed \$100,000 per violation for each day of the violation, up to a maximum of \$1,000,000 for any related series of violations.

In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: nature, circumstances, and gravity of the violation, including adverse impact on the environment; degree of Respondent's culpability, the history of Respondent's prior offenses, Respondent's ability to pay the penalty, and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require.

Item 1A of the Notice proposed a civil penalty of \$11,000 for Respondent's violation of 49 C.F.R. § 192.605(a), for the company's failure to follow its own O&M Manual for routine gas sampling, as specified in the internal corrosion plan for the Gladly Storage Field. Internal corrosion in this storage field, without proper monitoring, can lead to a rupture of the pipeline. In addition, the Gladly Storage Field is located in a National Forest area. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$11,000, which Columbia has already remitted to PHMSA.

Item 1B of the Notice proposed a civil penalty of \$32,000 for Respondent's violation of 49 C.F.R. § 192.605(a), for the company's failure to survey shorted casings, as specified in its O & M Manual. Respondent failed to perform the required tests at the frequency established in its internal procedures for four consecutive years. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$32,000, which Columbia has already remitted to PHMSA.

Item 2 of the Notice proposed a civil penalty of \$12,000 for Respondent's violation of 49 C.F.R. § 192.736(b), for the company's failure to calibrate its gas detection system properly. The alarms that are used to warn individuals about the concentration of gas in the compressor building are dependent upon proper calibration of the detectors. Compressor station employees could be at risk if the gas detection system failed to activate at the proper gas concentration. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$12,000, which Columbia has already remitted to PHMSA.

Item 3 of the Notice proposed a civil penalty of \$12,000 for Respondent's violation of 49 C.F.R. § 192.736(c), for the company's failure to conduct performance tests on the gas detection and alarm systems at the Gladly and Terra Alta storage fields. Respondent's employees could be at risk if the gas detection and alarm system failed to activate. Performance testing is vital to ensure that these safety mechanisms are operational. Accordingly, having reviewed the record

and considered the assessment criteria, I assess Respondent a civil penalty of \$12,000, which Columbia has already remitted to PHMSA.

Accordingly, I assess Respondent a total civil penalty of \$67,000, which the company has already remitted to PHMSA.

WARNING ITEM

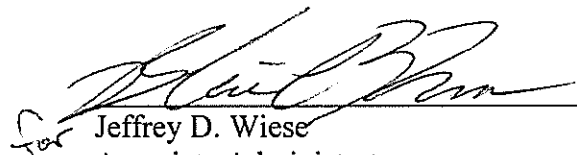
With respect to Item 4, the Notice alleged a probable violation of Part 192 but did not propose a civil penalty or compliance order for this item. Therefore, this item is considered to be a warning item. The warning is for:

§ 192.745 Valve maintenance: Transmission lines.

(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.

The Notice alleged that Columbia failed to designate a valve for emergency use at the storage wellhead and therefore could not comply with this regulation. Columbia has since corrected this problem and revised its procedures. Respondent also produced records demonstrating that the valves had been examined prior to the OPS inspection, even though they were not designated as "emergency" valves. Having considered such information, I find, pursuant to 49 C.F.R. § 190.205, that a probable violation of 49 C.F.R. § 192.745(a) has occurred. In the event that OPS finds a violation for this item in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order are effective upon receipt.



Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

12-23-2009
Date Issued