



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, D.C. 20590

DEC 29 2014

Mr. Shawn L. Patterson
President, Engineering & Project Delivery
Columbia Pipeline Group
NiSource, Inc.
5151 San Felipe, Suite 1500
Houston, Texas 77056

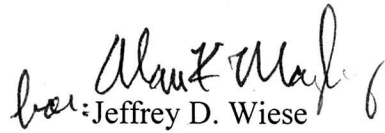
Re: CPF No. 1-2014-3002

Dear Mr. Patterson:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation, assesses a civil penalty of \$28,800, and specifies actions that need to be taken by Columbia Gas Transmission Corporation to comply with the pipeline safety regulations. The penalty payment terms are set forth in the Final Order. When the civil penalty has been paid, this enforcement action will be closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,


Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Byron Coy, P.E., Director, Eastern Region, OPS
Mr. Perry M. Hoffman, Manager – System Integrity, Columbia Gas Transmission
Corporation, 1700 MacCorkle Ave., SE, Charleston, West Virginia 25314

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 Corporation,)
a subsidiary of NiSource, Inc.,)

Respondent.)

CPF No. 1-2014-3002

FINAL ORDER

On November 13-16, 2012, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Columbia Gas Transmission Corporation's (CGTC or Respondent) liquefied natural gas (LNG) plant in Chesapeake, Virginia. Respondent, a subsidiary of NiSource, Inc., transports an average of three billion cubic feet of natural gas per day through an approximately 12,000-mile pipeline network in 10 states.¹

As a result of the inspection, on February 27, 2014, the Director, Eastern Region, OPS (Director), issued a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice) to CGTC. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. § 193.2801 and assessing a civil penalty of \$28,000 for the violation. The Notice also proposed ordering Respondent to take certain measures to correct the alleged violation.

CGTC replied to the Notice by letter dated March 12, 2014 (Response). Respondent did not contest the allegation of violation, the proposed penalty, or the proposed compliance order, but did provide additional information regarding the actions it had taken in response to the Notice. Respondent did not request a hearing and therefore has waived its right to one.

¹ See *Our Companies – Columbia Gas Transmission*, Columbia Pipeline Group, <https://www.columbiapipelinegroup.com/about-us/our-companies#columbiagastransmission> (last visited September 8, 2014).

FINDING OF VIOLATION

In its Response, CGTC did not contest the allegation that it violated 49 C.F.R. Part 193, as follows:

Item 1: As set forth in the Notice, Respondent allegedly violated 49 C.F.R. § 193.2801, which states:

§ 193.2801 Fire protection.

Each operator must provide and maintain fire protection at LNG plants according to sections 9.1 through 9.7 and section 9.9 of [National Fire Protection Association (NFPA)] NFPA [Standard] 59A (incorporated by reference, *see* § 193.2013). However, LNG plants existing on March 31, 2000, need not comply with provisions on emergency shutdown systems, water delivery systems, detection systems, and personnel qualification and training until September 12, 2005.

The Notice alleged that Respondent violated 49 C.F.R. § 193.2801, by failing to provide and maintain fire protection at its Chesapeake LNG facility in accordance with sections 9.1 through 9.7 and section 9.9 of NFPA 59A. Specifically, the Notice alleged that Respondent failed to follow section 9.3.2 of NFPA 59A by failing to ensure that its facility contained a flammable gas detection system that would activate an audible and visual alarm at not more than 25% of the lower flammable limit for refrigerant gases other than methane.²

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 193.2801 by failing to provide and maintain fire protection at its Chesapeake LNG in accordance with sections 9.1 through 9.7 and section 9.9 of NFPA 59A.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 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: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; and any effect

² Section 9.3.2 of NFPA 59A (2001), "Standard for the Production, Storage, and Handling of Liquefied Natural Gas (LNG)," which has been incorporated by reference under 49 C.F.R. § 193.2013, states:

"Continuously monitored low-temperature sensors of flammable gas detection systems shall sound an alarm at the plant site and at a constantly attended location if the plant site is not attended continuously. Flammable gas detection systems shall activate an audible and visual alarm at not more than 25 percent of the lower flammable limit of the gas or vapor being monitored."

that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the 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. The Notice proposed a total civil penalty of \$28,800.00 for the violation cited above.

Item 1: The Notice proposed a civil penalty of \$28,800.00 for Respondent's violation of 49 C.F.R. § 193.2801, by failing to assure its Chesapeake LNG facility contained a flammable gas detection system that would activate an audible and visual alarm at not more than 25% of the lower flammable limit for refrigerant gases other than methane.

In its Response, GCTC neither contested the allegation, nor presented any evidence or argument proposing a reduction or elimination of the proposed penalty.

Accordingly, having reviewed the record and considered the assessment criteria for each of the items cited above, I assess Respondent a total civil penalty of **\$28,800.00** for violating 49 C.F.R. § 193.2801.

Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 C.F.R. § 89.21(b) (3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMK-325), Federal Aviation Administration, Mike Monroney Aeronautical Center, P.O. Box 269039, Oklahoma City, Oklahoma 73125. The Financial Operations Division telephone number is (405) 954-8845.

Failure to pay the \$28,800.00 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

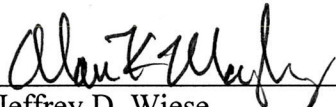
COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for violations of 49 C.F.R. § 193.2801. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicates that the Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 193.2801 (**Item 1**), Respondent submitted a copy of its revised procedures for the calibration and testing of its gas detectors, as well as a record of the calibration and testing of gas detectors used to detect refrigerant gases.

The Region Director has reviewed Respondent's submissions under Item 1 and found them to be satisfactory. Therefore, the compliance terms proposed in the Notice are not included in this Order.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.


for Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

DEC 29 2014
Date Issued