



U.S. Department
Of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

OVERNIGHT EXPRESS DELIVERY

February 27, 2014

Shawn Patterson
President, Engineering & Project Development
Columbia Gas Transmission Corporation
1700 MacCorkle Ave., SE
Charleston, WV 25314

CPF 1-2014-3002

Dear Mr. Patterson:

From November 13-16, 2012, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected the Columbia Gas Transmission Company (CGT) liquefied natural gas (LNG) plant in Chesapeake, MD.

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

1. §193.2801 Scope

Each operator must provide and maintain fire protection at LNG plants according to sections 9.1 through 9.7 and section 9.9 of NFPA 59A (incorporated by reference, see Sec. 193.2013).

CGT failed to maintain fire protection at the Chesapeake LNG facility, according to sections 9.1 through 9.7 and section 9.9 of NFPA 59A (incorporated by reference, see Sec. 193.2013).

NFPA 59A paragraph 9.3.2 states that “Continuously monitored low-temperature sensors or 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.”

In correspondence with the CGT staff, and a review of related records, it was established that CGT used 25% LEL methane gas in its calibration of gas detectors that were being used to monitor refrigerant gases

ethylene, propane, butane and pentane at the Chesapeake LNG facility. Therefore, CGT did not assure that the detectors will alarm at not more than 25% of the lower flammable limit for refrigerant gases other than methane.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. Also, for LNG facilities, an additional penalty of not more than \$50,000 for each violation may be imposed. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$ 28,800 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$ 28,800

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within **30** days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

Please submit all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2014-3002** on each document you submit and please, whenever possible, provide a signed PDF copy in electronic format. Smaller files may be emailed to Byron.Coy@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Columbia Gas Transmission Corporation (Columbia) a Compliance Order incorporating the following remedial requirements to ensure the compliance of [Company name] with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to the testing of the flammable gas detection system in the areas of the Chesapeake LNG Plant where exposure to leaking refrigerant gases may impact safety, Columbia shall prepare procedures to direct operating staff to calibrate instrumentation and to demonstrate through testing that the audible and visual alarms in these areas will be activated at a concentration less than or equal to 25% LEL of any flammable refrigerant gas or mixture of refrigerant gases that are used in the facility.
2. Columbia shall forward to PHMSA, Eastern Region the procedure within 60 days of issuance of the Final Order.
3. It is requested (not mandated) that Columbia maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Byron Coy, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure