

NOVEMBER 14, 2013

Mr. Shawn L. Patterson
President
Columbia Gas Transmission Corporation
1700 MacCorkle Avenue, SE
Charleston, WV 25314

Re: CPF No. 1-2013-1003

Dear Mr. Patterson:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and assesses a civil penalty of \$29,000. The penalty payment terms are set forth in the Final Order. This enforcement action closes automatically upon receipt of payment. 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: Byron Coy, PE, Eastern Region Director, OPS
Perry M. Hoffman, Manager – System Integrity, NiSource Gas Transmission & Storage
1700 MacCorkle Avenue, SE, Charleston, WV 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,)	CPF No. 1-2013-1003
)	
Respondent.)	
)	

FINAL ORDER

Between October 19, 2010 and June 3, 2011, representatives from the West Virginia Public Service Commission, acting as agents for the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to chapter 601 of 49 United States Code, conducted an on-site pipeline safety inspection of the facilities and records of Columbia Gas Transmission Corporation (CGT or Respondent), located in Charleston, West Virginia.

CGT transports an average of 3 billion cubic feet of natural gas per day through a nearly 12,000-mile pipeline network and 92 compressor stations in 10 states, serving hundreds of communities. Its customers include local gas distribution companies, energy marketers, electric power generating facilities and hundreds of industrial and commercial end users.¹

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated April 5, 2013, a Notice of Probable Violation and Proposed Civil Penalty (Notice), which also included two warnings pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that CGT had violated 49 C.F.R. § 192.705(b) and proposed assessing a civil penalty of \$29,000 for the alleged violation. The warning items required no further action, but warned the operator to correct the probable violation.

CGT responded to the Notice by letter dated May 22, 2013, (Response). The company did not contest the allegations of violation.

¹ See <http://www.columbiapipelinegroup.com/en/about-us/our-companies.aspx#columbiagastransmission>, last visited on September 23, 2013.

FINDING OF VIOLATION

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

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.705(b), which states in relevant part:

§ 192.705(b) Transmission lines: Patrolling.

(a) ...

(b) The frequency of patrols is determined by the size of the line, the operating pressures, the class location, terrain, weather, and other relevant factors, but intervals between patrols may not be longer than prescribed in the following table:

Class Location of line	Maximum interval between patrols	
	At highway and railroad crossings	At all other places
1,2.....	7 ½ months; but at least twice each calendar year.	15 months; but at least once each calendar year.
3.....	4 ½ months; but at least four times each calendar year.	7 ½ months; but at least twice each calendar year.
4.....,,	4 ½ months; but at least four times each calendar year.	4 ½ months; but at least four times each calendar year.

The Notice alleged that Respondent violated 49 C.F.R. § 192.705(b) by failing to timely patrol certain areas along its “HB” pipeline. Specifically, the Notice alleged that in 2009, CGT failed to patrol sixteen (16) specified segments of its pipeline in Class 1 or 2 locations, at highway and railroad crossings, within 7 ½ months but at least twice each calendar year. CGT’s records indicate that its patrol of the sixteen (16) pipeline segments was conducted on November 9, 2009, making it 15 days late. 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. § 192.705(b) by failing to patrol sixteen segments of its pipeline located in Class 1 or Class 2 locations within the 7 ½-month time limit.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative 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: 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; the 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 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 \$29,000 for the violation cited above.

Item 1: The Notice proposed a civil penalty of \$29,000 for Respondent's violation of 49 C.F.R. § 192.705(b), for failing to patrol sixteen (16) segments of its pipeline in a Class 1 or 2 area within 7 ½ months. CGT neither contested the allegation nor presented any evidence or argument justifying a reduction in the proposed penalty. With respect to the nature, circumstances, and gravity of this violation, monitoring the conditions along the route of a gas pipeline is a key part of pipeline safety and the failure to do so within the prescribed interval warrants the issuance of a penalty. CGT provided no basis for its failure to comply with its inspection requirements. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$29,000 for violation of 49 C.F.R. § 192.705.

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 (AMZ-341), Federal Aviation Administration, Mike Monroney Aeronautical Center, P.O. Box 269039, Oklahoma City, Oklahoma 73125. The Financial Operations Division telephone number is (405) 954-8893.

Failure to pay the \$29,000 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.

WARNING ITEMS

With respect to Items 2 and 3, the Notice alleged probable violations of Part 192 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 192.751 (**Item 2**) — Respondent's alleged failure to properly plug two (2) switch box enclosures, where gas could collect and serve as a possible source of ignition; and

49 C.F.R. § 192.605 (**Item 3**) — Respondent's alleged failure to properly provide identification tags on Pipeline P at the Wilson gas delivery point in violation of its O&M Procedure 200.01.02, Section 3.4.

CGT presented information in its Response showing that it had taken certain actions to address the cited items. If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

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

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued