

JAN 31 2011

Mr. Victor Gaglio
Senior Vice President of Operations
Columbia Gas Transmission LLC
1700 MacCorkle Avenue, SE
Charleston, WV 25314

Re: CPF No. 1-2010-1009

Dear Mr. Gaglio:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and assesses a civil penalty of \$29,600. This letter acknowledges receipt of payment of the full penalty amount, by wire transfer, dated November 23, 2010. This enforcement action is now 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: Byron Coy, P.E., Director, Eastern Region, PHMSA

CERTIFIED MAIL - RETURN RECEIPT REQUESTED [7005 1160 0001 0041 3511]

**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,)	CPF No. 1-2010-1009
)	
Respondent.)	
_____)	

FINAL ORDER

On September 20 and October 1, 2008, 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 facilities and records of Columbia Gas Transmission LLC (Columbia Gas or Respondent) in Marshall County, West Virginia. Columbia Gas transports natural gas through a 12,000-mile pipeline network in 10 states.¹ Columbia Gas is owned and operated by NiSource, Inc., an energy company engaged in natural gas transmission, storage, and distribution.

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated November 1, 2010, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Columbia Gas had violated 49 C.F.R. § 192.605(a) and proposed assessing a civil penalty of \$29,600 for the alleged violation.

Columbia Gas responded to the Notice by letter dated November 30, 2010 (Response). The company did not contest the allegations of violation and paid the proposed civil penalty of \$29,600 as provided in 49 C.F.R. § 190.227. Payment of the penalty serves to close the case with prejudice to Respondent.

FINDING OF VIOLATION

In its Response, Columbia Gas 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. § 192.605(a), which states in relevant part:

¹ <http://www.ngts.com/> (last accessed on December 28, 2010).

§ 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....

The Notice alleged that Respondent violated 49 C.F.R. § 192.605(a) by failing to follow its plan for protecting the coating of its pipelines from exposure to sunlight and weather and from ground movement as outlined in the project-specific procedures. Specifically, the Notice alleged that Columbia Gas failed to follow its written procedures requiring that pipe coatings exposed for more than two months be painted with white, latex paint to protect the pipe from UV and weather and that the pipe and coating be protected from movement by placing the pipe on sand bags.²

In October 2007, in anticipation of surface subsidence activities, Columbia's personnel completed the stripping of cover and exposure of lines 1758 and 10100. After the mining activities were concluded, in September 2008, Columbia Gas planned to recoat and backfill the pipeline and restore the right-of-way. WV PSC performed an inspection during this time period and discovered that portions of the exposed pipeline were not painted with white, latex paint as required by Respondent's procedures. Specifically, paragraph 2 of Section III of the Corrosion Control Plan for Long-Wall Mining, required that "pipe coatings that are going to be exposed for more than 2 months will be painted with a white, latex paint from a hardware store for protection from UV and weather."³ Columbia Gas failed to follow its procedures for this project. The record includes photographs of the unpainted, exposed lines dated September 30, 2008 and October 1, 2008 taken by the inspector as evidence of this allegation of violation.⁴

In addition, the Respondent's project plan also required that "[t]he pipe and coatings shall be protected from movement by placing the pipe on sandbags."⁵ During the inspection, the inspector observed that several sections of the pipe were lying directly on the bottom of the trench and that the pipe was not placed on sandbags.⁶ Respondent did not contest this allegation of violation and explained that the condition was addressed subsequent to the WV PSC

² Corrosion Control Plan for Long-Wall Mining, Section III, Field Coating, paragraphs 1 & 2.

³ *Id.*

⁴ See Exhibit A, Pipeline Safety Violation Report (Violation Report), November 1, 2010, (on file with PHMSA).

⁵ Corrosion Control Plan for Long-Wall Mining, Section III, Field Coating, paragraph 1.

⁶ *Violation Report* at 3.

inspection and the pipe is no longer exposed. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.605(a) by failing to follow its project-specific plan and procedures.

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 \$29,600 for the violation cited above.

Item 1: The Notice proposed a civil penalty of \$29,600 for Respondent's violation of 49 C.F.R. § 192.605(a), for failing to follow its project-specific plan and procedures. Columbia Gas did not contest the allegation but confirmed that it addressed the concerns after the WV PSC inspection and the pipeline is no longer exposed or in an active mining area. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$29,600, which Columbia Gas has already remitted to PHMSA.

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