

NiSource Gas Transmission & Storage®

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Perry Michael Hoffman
Manager – System Integrity

June 8, 2011

Byron E. Coy, PE
Director, Eastern Region
United States Department of Transportation
Pipeline and Hazardous Materials Safety Administration
820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628

RE: Notice of Probable Violation and Proposed Civil Penalty CPF 1-2011-1006

Dear Mr. Coy:

NiSource Gas Transmission & Storage (NGT&S) respectfully submits this letter as a request for a Final Order and subsequent closure of Notice of Probable Violation (NOPV) and Proposed Civil Penalty CPF 1-2011-1006. The NOPV was issued to Columbia Gas Transmission LLC, a business unit of NGT&S, on May 9, 2011, as a result of inspections that had occurred during the week of May 18, 2009. The NOPV was received by NGT&S on May 11, 2011. The NOPV identified concerns that NGT&S failed to continuously monitor the Donegal Compressor Station for a concentration of gas in air of not more than 25 percent of the lower explosive limit (LEL).

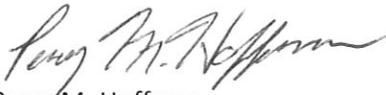
While NGT&S maintained fixed gas detection systems at its Donegal Compressor Station to continually monitor the compressor building for gas in air of not more than 25 percent of the Lower Explosive Limit (LEL), the calibration gas concentration of gas in air used during the annual testing of gas detection system was not in accordance with company policy. Following the inspection in May of 2009, NGT&S reviewed its compressor station gas detection testing practices system wide with field locations to ensure that the correct gas in air calibration gas is being used during periodic gas detection unit testing at compressor buildings.

In response to CPF 1-2011-1006, NGT&S has elected not to contest the NOPV and to pay in full the proposed civil penalty of \$67,800. The full amount of the proposed civil penalty was submitted to the US Treasury on June 6, 2011, in accordance with Item VII of the Response Options for Pipeline Operators in Compliance Proceedings "Payment Instructions." Evidence of the payment is provided in Attachment A. Based on payment of the proposed penalty and the fact that the identified condition has been mitigated, we respectfully request formal closure of this matter.

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If you have any questions or would like additional information in order to resolve this case, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Perry M. Hoffman".

Perry M. Hoffman
Manager – System Integrity
NiSource Gas Transmission & Storage