



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

April 27, 2015

Ken Oostman, VP Engineering
Columbia Gas Transmission, LLC.
5151 San Felipe, No. 2500
Houston, TX, 77056

CPF 1-2015-1008

Dear Mr. Oostman:

Between June 24 and August 8, 2014, representatives of the New York State Department of Public Service (NYDPS), acting as agents for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code, inspected Columbia Gas Transmission, LLC (CGT), Millennium pipeline facilities, in Sparrow Bush, New York.

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

1. **§192.455 External corrosion control: Buried or submerged pipelines installed after July 31, 1971.**
 - (a) **Except as provided in paragraphs (b), (c), and (f) of this section, each buried or submerged pipeline installed after July 31, 1971, must be protected against external corrosion, including the following:**
 - (2) **It must have a cathodic protection system designed to protect the pipeline in accordance with this subpart, installed and placed in operation within 1 year after completion of construction.**

CGT failed to establish a cathodic protection system designed to protect a new buried pipeline within one year after the pipeline had been placed into operation.

1. During the first half of 2013, approximately 1,500 feet of large diameter (combination of 36-inch, 30-inch, and 24-inch) piping was newly installed for the Millennium Pipeline Company (Millennium) Minisink compressor station in Westtown, Orange County, NY.

2. The compressor station was placed into operation by CGT on June 1, 2013.
3. During the inspection on 6/24/2014, NYSDPS requested that CGT take cathodic protection (CP) pipe-to-soil potential readings at the Minisink compressor station piping. CGT took the CP readings after the NYSDPS inspection, with no NYSDPS inspector present. Of the three readings taken at the compressor station, NYSDPS noted one less than adequate pipe-to-soil potential reading of -0.750 volts. On 6/25/2014, CGT found four additional pipe-to-soil potential readings below the -0.85 Volt cathodic protection criteria. CGT did not provide any evidence that cathodic protection was being deemed adequate by any other criteria.
4. NYSDPS asked CGT how they provided cathodic protection to the new piping. CGT indicated that they bonded the new station piping to the existing cathodic protection system on the Millennium mainline, and installed bonds across insulating joints on the inlet and outlet piping to the compressor station. The Operations Manager for CGT, stated that CGT intends to install a separate cathodic protection system at the station, but it has not yet been installed.

Thus, CGT failed to establish a cathodic protection system designed to protect a new buried pipeline within one year after the pipeline had been placed into operation.

This probable violation is a repeat violation of CPF 1-2012-2014 Item 2.

2. **§192.605 Procedural manual for operations, maintenance, and emergencies.**
 - (b) ***Maintenance and normal operations.*** The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.
 - (2) **Controlling corrosion in accordance with the operations and maintenance requirements of subpart I of this part.**

CGT Procedure 70.01.01 “External Corrosion Control” is inadequate in that it does not address all of the requirements of §192.455(a)(2) which states in part that “...each buried or submerged pipeline installed after July 31, 1971, must be protected against external corrosion...”

CGT’s procedure (Section 3.2.1) refers only to pipe “installed as a replacement section for a pipeline” and does not refer to newly installed pipe.

In an e-mail from CGT to the NYSDPS dated August 8, 2014, CGT indicated that they are in the process of revising the language of their O&M Plan 70.01.01 “to ensure it is clear that all buried or submerged metallic piping installed (or replaced) after July 31, 1971 must have a cathodic protection system designed to protect the pipeline installed (or replaced) which is placed in operation within 1 year after the completion of construction.”

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. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violations and has recommended that you be preliminarily assessed a civil penalty of \$61,900 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$61,900

Proposed Compliance Order

With respect to items 1 and 2 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to CGT. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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 1-2015-1008** 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

Cc: Mr. Kevin Speicher, NYSDPS

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, LLC (CGT) a Compliance Order incorporating the following remedial requirements to ensure the compliance of CGT with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to CGT's failure to establish a cathodic protection system for the Minisink Compressor Station and associated piping designed to protect a new buried pipeline within one year after the pipeline was placed into operation on June 1, 2013, CGT must evaluate, and then ensure that adequate cathodic protection is provided for the entirety of the Minisink Compressor Station, and all of its inlet and outlet piping for a distance of 5 miles from the station fence lines.
2. In regard to Item Number 2 of the Notice pertaining to CGT's Procedure 70.01.01 that does not address all the requirements of §192.455(a)(2), CGT must revise the language of their operations and maintenance (O&M) procedures to address that all buried or submerged metallic piping installed, or replaced, after July 31, 1971 must have a cathodic protection system designed to protect the pipeline installed, or replaced, and in operation, within 1 year after the completion of construction.
3. CGT will have 90 days after receipt of the Final Order to perform a cathodic protection evaluation on the subject station and inlet/outlet piping; then another 150 days to install or modify cathodic protection as needed, to achieve adequate cathodic protection.
4. It is requested (not mandated) that CGT maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Byron Coy, PE, 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.