



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 21, 2009

Victor Gaglio
Columbia Gulf Transmission, a NiSource Company
1700 MacCorkle Avenue
Charleston, WV 25314

CPF 4-2009-1020

Dear Victor Gaglio:

During July, August, and October 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Columbia Gulf Transmission's (CGT) pipeline facilities located in Louisiana.

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. §192.481 Atmospheric corrosion control: Monitoring.

(c) If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by Sec. 192.479.

During the inspection, atmospheric corrosion was noted at the following sites: the Egan Measurement Station; the Exxon-Chalkley Lateral Tap; the Valve 1210-3 facility; and Compressor Station 14 – Houma, LA. Records for August 2006 and August 2008 indicate rust and pitting on various station piping at Compressor Station 14.

At the time of this inspection, CGT had failed to address the atmospheric corrosion at Compressor Station 14 (noted as flaking and pitting with metal loss) as required by 192.479.

2. §192.605 Procedural manual for operations, maintenance, and emergencies

Each operator shall include the following in its operating and maintenance plan:

- (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 one 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.

CGT's Procedure No. 100.001.001, Review and Update Emergency Plan, calls for an annual review. CGT completed an annual review of the site specific emergency plan for Compressor Station 10 on January 6, 2006, and another review was completed on December 29, 2006. The next annual review was completed on February 1, 2008. CGT failed to perform a review of the Emergency Plan in the calendar year 2007.

3. §192.605 Procedural manual for operations, maintenance, and emergencies

Each operator shall include the following in its operating and maintenance plan:

- (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 one 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.

§192.707 Line markers for mains and transmission lines.

- (a) **Buried pipelines.** Except as provided in paragraph (b) of this section, a line marker must be placed and maintained as close as practical over each buried main and transmission line:

- (1) At each crossing of a public road and railroad; and
- (2) Wherever necessary to identify the location of the transmission line or main to reduce the possibility of damage or interference.

- (b) **Exceptions for buried pipelines.** Line markers are not required for the following pipelines:

- (1) Mains and transmission lines located offshore, or at crossings of or under waterways and other bodies of water.

- (2) Mains in Class 3 or Class 4 locations where a damage prevention program is in effect under §192.614.**
- (3) Transmission lines in Class 3 or 4 locations until March 20, 1996.**
- (4) Transmission lines in Class 3 or 4 locations where placement of a line marker is impractical.**

CGT's *Operations Procedure, Plan No. 220.02.04, Field Services – Operations* states “*Permanent pipeline markers conforming to Section 3.1.1 shall be installed and maintained as close as practical over each buried pipeline... It is recommended that markers be placed in ‘line of sight’ wherever possible and practical... Line of sight is defined as standing at one marker and being able to see the next marker in each direction.*” It was noted at numerous locations, the lack of pipeline markers. Pipeline markers were missing: south along the right-of-way at the road crossing at MP 33; near MP 56.4 in the Red River area north and south along ML 100 and 200; at LA SR 115 near MP 43 north along ML 100, 200, and 300; near MP 19 at LA SR 1165 in the fence line and south along the ML 100 and 200; at MP 2 at Third Street north along the South Pecan Lake lateral; at MP 8 north along the right-of-way from the South Pecan Lake lateral/Florence lateral tap; and north along the Paradise Line from VL TP-2 near MP 12. According to CGT's Procedures, markers should be placed at fence lines, at angle points, and in line-of-sight where possible.

CGT has failed to follow the written procedure for properly marking pipeline facilities.

Warning Items

With respect to item 2, we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct this item. Be advised that failure to do so may result in Columbia Gulf Transmission being subject to additional enforcement action.

Proposed Compliance Order

With respect to items 1 and 3, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Columbia Gulf Transmission. 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. Be advised that all material you submit in response to this enforcement action is subject to being 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.

In your correspondence on this matter, please refer to **CPF 4-2009-1020** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. M. Seeley".

R. M. Seeley
Director, Southwest 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 Gulf Transmission a Compliance Order incorporating the following remedial requirements to ensure the compliance of Columbia Gulf Transmission (CGT) with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to the atmospheric corrosion found at various above ground sites, CGT should survey the noted facilities and all other facilities with above ground piping to ensure that atmospheric corrosion conditions are being properly monitored and that any 'Poor' conditions found are remediated.
2. In regard to Item Number 3 of the Notice pertaining to the placement of pipeline markers along the right-of-way, CGT must survey the pipeline right-of-ways in Louisiana and follow Procedure 220.02.04 to make the necessary additions to ensure that pipeline markers are not only present at fence lines, roadway and railroad crossing, but are in line-of-sight along the right-of-ways to help prevent pipeline damage.
3. CGT should complete these items within 120 days after the receipt of the Final Order.
4. Columbia Gulf Transmission (CGT) shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. Costs shall 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.