

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 28, 2015

Mr. Robert Kitchell
Vice President-Operations
Columbia Gas Transmission, LLC
1700 McCorkle Avenue, S.E.
Charleston, West Virginia 25314

CPF 3-2015-1007

Dear Mr. Kitchell:

On various dates between January and August of 2014, representatives of the Ohio Public Utilities Commission acting as interstate agents for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your records and facilities throughout the State of Ohio.

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. §191.17 Transmission systems, gathering systems, and liquefied natural gas facilities. Annual report.**
 - (a) Transmission or Gathering. Each operator of a transmission or a gathering pipeline system must submit an annual report for that system on DOT Form PHMSA 7100.2.1. This report must be submitted each year, not later than March 15, for the preceding calendar year, except that for the 2010 reporting year the report must be submitted by June 15, 2011.**

Columbia Gas Transmission (CGT) did not report on the 2013 annual report two newly constructed pipelines that were in operation in 2013.

Lines R443 and A120 are two new plastic pipelines that were completed and operational in 2013. Review of the 2013 annual report found that neither of the two pipelines was reported.

2. §192.465 External corrosion control: Monitoring.

(d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.

In the Cambridge and Meigs operating area, CGT did not promptly remediate two deficient cathodic protection readings.

Review of the cathodic protection records identified two low potential readings on Line V148 for 2012 and 2013. The readings in the records are as follows:

| <u>Test Point</u> | <u>Date</u> | <u>Reading</u> |
|-------------------|-------------|----------------|
| Asset 874156 | 6/26/2012 | -0.740v |
| | 3/26/2013 | -0.810v |
| Asset 874147 | 6/26/2012 | -0.800v |
| | 3/26/2013 | -0.830v |

No other records were produced to show that any remedial actions were taken from 3/26/2013 until the end of the 2013 calendar year.

3. §192.479 Atmospheric corrosion control – General

(a) Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

CGT did not clean and coat the soil to air interface at multiple exposures on Lines V138, H107, and H87. During the records review, there were multiple exposures that were scheduled for remediation on Line H107 and H87, but did not occur by the due date. Subsequent field visits to the exposures on both lines verified that no action had been taken at the soil to air interface to clean and coat the exposed pipelines.

The following exposures with the soil/air interface issues noted during the field review are as follows:

- 1) Asset 1369681 for Line V138 (Identified by CGT on March 13, 2006)
- 2) Asset 1370688 for Line V138 (Identified by CGT on March 27, 2007)

During the records review, the following exposures for line H107 did not receive any remedial actions to address the soil to air interface. All of these exposures except Assets 1566279 and 1566280 should have been addressed by the time of this field inspection. Assets 1566279 and 1566280 had a scheduled completion date of July 1, 2014, which was less than a month from the time of the field review. The subsequent field review of the field exposures on Line H107 verified that no action had been taken:

- 1) Asset 906165 (Identified by CGT on April 27, 2012)*
- 2) Asset 906166 (Unknown)*
- 3) Asset 906167 (Identified by CGT on April 27, 2012)*
- 4) Asset 906168 (Identified by CGT on April 27, 2012)*
- 5) Asset 906169 (Identified by CGT on April 27, 2012)*
- 6) Asset 906170 (Identified by CGT on April 27, 2012)*
- 7) Asset 906171 (Identified by CGT on April 27, 2012)*
- 8) Asset 906172 (Identified by CGT on April 27, 2012)*
- 9) Asset 906173 (Identified by CGT on April 27, 2012)*
- 10) Asset 1548046 (Identified by CGT on May 1, 2012)
- 11) Asset 1548047 (Identified by CGT on May 1, 2012)
- 12) Asset 1566279 (Identified by CGT on July 2, 2013)*
- 13) Asset 1566280 (Identified by CGT on July 2, 2013)*
- 14) Asset 1566281 (Identified by CGT on July 2, 2013)

**Verified in the field that no remedial action was taken.*

The records review found that the following exposures on Line H87 had not received any remedial actions at the soil to air interface:

- 1) Asset 906159 (Identified by CGT on April 10, 2012)
- 2) Asset 906160 (Identified by CGT on April 10, 2012)
- 3) Asset 1547598 (Identified by CGT on April 11, 2012)
- 4) Asset 1559935 (Identified by CGT on January 30, 2013)
- 5) Asset 1559937 (Identified by CGT on January 30, 2013)
- 6) Asset 1559938 (Identified by CGT on January 30, 2013)

After the inspection, CGT personnel indicated that a project scope to replace 8,612 feet of Line H107 and 2,600 feet of Line H87 was developed. These replacements would address these exposures. However, CGT could not indicate when those projects would occur. This probable violation is a repeat violation of CPF 3-2010-1005, Item #2.

4. §192.619 Maximum allowable operating pressure - Steel or plastic pipelines

- (a) **No person may operate a segment of steel or plastic pipeline at a pressure that exceeds a maximum allowable operating pressure determined under paragraph (c) or (d) of this section, or the lowest of the following:**

(1) The design pressure of the weakest element in the segment, determined in accordance with subparts C and D of this part. However, for steel pipe in pipelines being converted under §192.14 or uprated under subpart K of this part, if any variable necessary to determine the design pressure under the design formula (§192.105) is unknown, one of the following pressures is to be used as design pressure

CGT failed to have their maximum allowable operating pressure (MAOP) established according to the design pressure of the weakest element in their segment.

During the records review of the regulator inspections at Nicodemus regulator station, it was noted that the Fisher 627M regulators had a ¼” orifice in them. Review of the manufacturer specifications found that the ¼” orifice had a maximum inlet pressure of 750 psig. The MAOP of the pipeline that feeds this station is 800 psig. As a result, CGT personnel changed out the orifice to maintain the 800 psig MAOP and conducted a review of other stations to ensure that there were no other inappropriately sized orifices.

5. §192.707 Line markers for mains and transmission lines.

(c) Pipelines above ground. Line markers must be placed and maintained along each section of a main and transmission line that is located aboveground in an area accessible to the public.

CGT did not have line markers at two locations where their pipeline was aboveground and accessible to the public.

During the field review of Line V-138, two aboveground exposures were observed. The exposures are not located in a restricted area and are accessible by the public. Neither of the exposures had any line markers near them. The exposures noted are as follows:

For line V -138:

- 1) Asset 1369681
- 2) Asset 1370688

6. §192.905 How does an operator identify a high consequence area?

(b)(1) Identified sites. An operator must identify an identified site, for purposes of this subpart, from information the operator has obtained from routine operation and maintenance activities and from public officials with safety or emergency response or planning responsibilities who indicate to the operator that they know of locations that meet the identified site criteria. These public officials could include officials on a local emergency planning commission or relevant Native American tribal officials.

CGT did not properly identify two high consequence areas (HCA) on Line B108 from Marten Park in Lancaster, Ohio, to the State Route 188 regulator station.

During the field evaluation of Line B108 in the Treat operating area, two identified sites were noted on the line. The two sites noted are the Anchor Hocking Glass Company and the Martins Park Ball Field. Line B108 is an 8” diameter line with an MAOP of 125 psig. The potential impact radius (PIR) calculates to approximately 120 feet. Both these sites fall within that PIR and were present before 2004.

Originally, CGT added the Anchor Hocking building as an HCA but it was eliminated in 2006 because they determined that there were not twenty people within the PIR where the radius intersected the plant. However, this facility should have stayed on the HCA list because if any portion of a building containing twenty people for the time periods specified in the rule is within the PIR, that building should be treated as an identified site. CGT did add this site to the HCA list in 2013.

CGT could not provide an explanation of why the Martins Park Ball Field was not put on the HCA list prior to 2013. In 2013, CGT added this site to the HCA list. However, it was subsequently removed in 2015 because CGT’s research on February 26, 2015, found that the park only met the criteria for the number of people for thirty-six days per year. However, when our inspector talked to the manager of Martins Park Ball Field on March 3, 2015, he indicated that they have four ball diamonds with about thirty kids on each diamond, not including the crowd. He also indicated that this occurred more than fifty days annually, since games are played on the fields Monday through Saturday from May to August. It appears that this site should stay on the HCA list.

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 violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$168,300 as follows:

| <u>Item number</u> | <u>PENALTY</u> |
|--------------------|----------------|
| 2 | \$33,300 |
| 3 | \$83,600 |
| 6 | \$51,400 |

Warning Items

With respect to items one (1) and five (5), 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 these item(s). Failure to do so may result in additional enforcement action.

Proposed Compliance Order

With respect to items three (3) and five (5) pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Columbia Gas Transmission, LLC. 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 thirty (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 3-2015-1007** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Allan C. Beshore
Director, Central Region, OPS
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 Gas Transmission, LLC a Compliance Order incorporating the following remedial requirements to ensure the compliance of Columbia Gas Transmission, LLC with the pipeline safety regulations:

1. In regard to Item Number 3 of the Notice pertaining to cleaning and coating the soil to interface areas of the exposures on Lines V138, H107, and H87, CGT must provide and implement a plan to address the two exposures identified on Line V138 in this Notice, and any other exposures on this line. Regarding Lines H107 and H87, CGT must submit a schedule of when ProTool 15740 (Replacement Scope for H107) and ProTool 17252 (Replacement Scope for H87) will be implemented and completed.
2. In regard to Item Number 5 of the Notice pertaining to having no line markers on the exposures, CGT must identify all exposures in the Meigs and Cambridge operating areas and install appropriate line markers at these locations as well as the two sites identified in this Notice.
3. In regards to Item number 1 of the Proposed Compliance Order (PCO), CGT must provide a copy of the plan for remedial action on the exposures for Line V138 within 30 days of the receipt of the Final Order and complete all work described in the plans within one year from the receipt of the Final Order. In regards to H107 and H87, the replacement schedule must be submitted within 30 days of the receipt of the Final Order. Completion of the replacements must be done no later than one year from the receipt of the Final Order. In regards to Item number 2 of the PCO, CGT must complete the identification and installation of the line markers within 180 days from the receipt of the Final Order.
4. It is requested (not mandated) that Columbia Gas Transmission, LLC maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Allan C. Beshore, Director, Central Region OPS, 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.