

**AUG 20 2010**

Mr. Christopher A. Helms  
Executive Vice President  
NiSource, Inc.  
5151 San Felipe, Suite 2500  
Houston, Texas 77056

**Re: CPF No. 1-2008-1003**

Dear Mr. Helms:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and assesses a civil penalty of \$100,000. I acknowledge receipt of payment of the full penalty amount, by wire transfer, dated June 30, 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: Mr. Byron Coy, Director, Eastern Region, PHMSA (*by email to byron.coy@dot.gov*)  
Mr. Kenneth W. Christman, Esq., Counsel for Columbia Gas Transmission, LLC (*by email to kchrist@nisource.com*)

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7005 1160 0001 0039 0720]**

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

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**In the Matter of** )

**Columbia Gas Transmission, LLC,** )

**Respondent.** )

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**CPF No. 1-2008-1003**

**FINAL ORDER**

On August 23, 2006, pursuant to 49 U.S.C. § 60117, a representative of the West Virginia Public Service Commission, as agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an investigation of an August 21, 2006 incident involving the pipeline system operated by Columbia Gas Transmission, LLC (CGT or Respondent),<sup>1</sup> in Hardy County, West Virginia. CGT operates over 14,000 miles of natural gas transmission pipelines throughout the eastern and southern United States.

The OPS investigation arose from an incident in which an excavator performing work for CGT struck an underground tap on the company's WB Loop Line on the grounds of the Lost River Compressor Station. The resulting damage caused a rupture and release of gas. No property damage or injuries resulted from the incident.

As a result of the investigation, the Director, Eastern Region, OPS, issued to Respondent, by letter dated March 14, 2008, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that CGT had committed a violation of 49 C.F.R. § 192.605(a) and proposed assessing a civil penalty of \$100,000 for the alleged violation.

CGT responded to the Notice by letter dated April 23, 2008. The company initially contested the allegation of violation and the proposed civil penalty, and requested a hearing. A hearing was held on November 20, 2008, with Jim Curry, an attorney from the Office of Chief Counsel, PHMSA, presiding. Respondent was represented by counsel during the hearing. Respondent timely submitted a post-hearing closing statement on December 22, 2008. By letter dated June 30, 2010, Respondent sought closure of the case and informed PHMSA that "after further consideration of the [Notice] and related circumstances," it would pay the full amount of the proposed civil penalty.<sup>2</sup> CGT also described the actions it had taken since the Notice to improve the safety of its pipeline operations.

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<sup>1</sup> CGT is a wholly owned subsidiary of NiSource, Inc.

<sup>2</sup> NiSource Gas Transmission & Storage sent this letter and paid the civil penalty on behalf of CGT.

Payment of the penalty serves to close the case with prejudice to Respondent.

### **FINDING OF VIOLATION**

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 192.605(a), which states, in relevant part:

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

(a) *General.* Each operator shall prepare and follow for each pipeline, a manual for written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must 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 CGT violated 49 C.F.R. § 192.605(a) by failing to follow its manual of written procedures for conducting operations and maintenance activities (O&M Plan). Specifically, it alleged that the operator failed to follow its procedures for Trenching and Excavation, located in Section No. 110.01.13 of the O&M Plan, by failing to communicate to its excavation contractor the exact location of an underground pipeline tap on the WB Loop Line. The Notice alleged that this failure was a contributing factor to the August 21, 2006 incident.

CGT initially contested this allegation on numerous grounds, but later paid the full proposed civil penalty and requested closure of the case. Accordingly, based upon a review of all of the evidence, I find that CGT committed a violation of § 192.605(a) by failing to follow its manual of written procedures for conducting operations and maintenance activities.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent. Having reviewed the record and considered the assessment criteria, I assess Respondent a total civil penalty of \$100,000, which amount has already been paid in full by Respondent.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

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Date Issued