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Perry Michael Hoffman
Manager – System Integrity

April 15, 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 Amendment CPF 1-2011-1002M

Dear Mr. Coy:

NiSource Gas Transmission & Storage (NGT&S) respectfully submits this letter in response to the Notice of Amendment (NOA) CPF 1-2011-1002M, which was dated March 22, 2011, and received by NGT&S on March 23, 2011. The NOA was issued as a result of inspections that had occurred in the fall of 2009.

Details for addressing the individual items noted in the NOA are outlined below. The language from the NOA is in bold, followed by a brief description of the action taken by NGT&S to address the respective item.

Item 1: §192.707 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.

(8) Periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance and modifying the procedure when deficiencies are found.

NGT&S Response:

Following the PHMSA inspection in 2009, NGT&S recognized the need to address the periodic review of work done by operator personnel. As a result, NGT&S incorporated language in the O&M Manual (Plan Number 10.01.03) to address plan review. Provided below is an excerpt of the language incorporated:

“Periodically, work done by operations or maintenance personnel will be reviewed to determine the effectiveness and adequacy of the O&M Manual used in normal operations and maintenance. The O&M Manual will be modified to correct any deficiencies found. Operations/Maintenance and technical personnel who are close to the work and who have

knowledge and expertise of the tasks and work performed are randomly selected to review select sections of the O&M Manual for adequacy and effectiveness during the annual O&M Manual review process. Field observations associated with O&M plans can also be documented using the form provided in Exhibit B. This form can be used as part of, or outside of the annual O&M Manual review process. The original form or scan copy should be provided to the Domino.doc administrator. The Domino.doc administrator will provide a copy of the forms to the plan originator so that any plan deficiencies noted can be addressed.”

In addition to the above language, a Field Observation Documentation Form was developed and incorporated into the plan as Exhibit B. These changes were made to the Plan and became effective on June 18, 2010. A copy of the Plan is included as Attachment A.

Item 2: §192.615 Emergency plans.

(b) Each Operator shall:

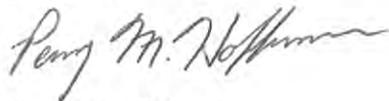
(2) Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective.

NGT&S Response:

NGT&S has updated O&M Plan 100.01.01, Emergency Plan, to include an Annual Emergency Plan Training Review. This review will be used to assess training materials and the effectiveness of the emergency plan training. Documentation of all training and any mock drills will be kept and reviewed during the annual review to verify that training was effective. This review will be used to ensure the training of appropriated personnel was effective and the individuals are knowledgeable of the emergency procedures. Any needed improvements or changes to training identified during the review will be documented and incorporated into the training program. A copy of the updated section along with a copy of the emergency plan training review form is included as Attachment B.

If you have any questions regarding the actions taken to address the items identified in the Notice of Amendment, please feel free to contact me.

Sincerely,



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Attachment A

NGT&S Plan 10.01.03 O&M Plan Manual Administration

O&M Plan Manual Administration

1 SCOPE

To establish a process to consistently develop, review and maintain a set of written plans for activities including operations and maintenance, emergency response and abnormal operations for jurisdictional facilities. These plans are located in the Operation and Maintenance Procedures Manual (O&M Manual). The review of this plan will also consider the work practices of operating personnel in order to evaluate the continued adequacy and effectiveness of plan documents in the O&M Manual.

2 APPLICABILITY

This plan, as well as all the O&M Manual, is applicable to all NiSource Gas Transmission & Storage (NGT&S) Companies, including Columbia Gas Transmission, Columbia Gulf Transmission, and Crossroads Pipeline, as well as other pipeline facilities operated by NGT&S including Millennium Pipeline Company, LLC, Hardy Storage Company and Central Kentucky Transmission, hereafter called the Company in all these documents. For more information about the NGT&S Companies, go to <http://www.NGT&S.com>. This plan and the O&M Manual plans are applicable to all employees, contractors, or third party persons who perform operational and maintenance tasks on NGT&S jurisdictional facilities, and the persons who are involved with or responsible for these activities.

2.1 Safety

The Company is committed to the safety of the public and its employees. Employees are to perform their work in the safest manner with the utmost regard for the safety of themselves and the public. All Company safety policies and procedures, as well as the appropriate Job Hazard assessments, should be reviewed as necessary.

2.2 Operator Qualification

All persons performing tasks covered by 49 CFR 192, Subpart N, shall be qualified according to the Company Operator Qualification Plan.

3 PLANS

3.1 General

The individual plans which constitute the Company's O&M Manual shall be reviewed annually, or as required by regulatory changes, to evaluate the continued effectiveness and adequacy of the plans used in normal and abnormal operations by observation of operator personnel performing work defined in the O&M Manual. The review and approval process is shown in Exhibit A.

The review of activities in the individual plans will be recorded within the document management system (Domino.doc). The “Effective Date” in the footer of each plan document identifies when this review process has been completed.

3.2 Review Frequency

The O&M Manual shall be reviewed at least once each calendar year, not to exceed 15 months. A record of an O&M Manual review may be documented in the Company’s work management system. The Company’s document management system also contains records of policy, plan or procedure revisions and approvals.

3.3 Plan Review

Periodically, work done by operations or maintenance personnel will be reviewed to determine the effectiveness and adequacy of the O&M Manual used in normal operations and maintenance. The O&M Manual will be modified to correct any deficiencies found. Operations/Maintenance and technical personnel who are close to the work and who have knowledge and expertise of the tasks and work performed are randomly selected to review select sections of the O&M Manual for adequacy and effectiveness during the annual O&M Manual review process. Field observations associated with O&M plans can also be documented using the form provided in Exhibit B. This form can be used as part of, or outside of the annual O&M Manual review process. The original form or scan copy should be provided to the Domino.doc administrator. The Domino.doc administrator will provide a copy of the forms to the plan originator so that any plan deficiencies noted can be addressed.

3.4 O&M Manual Distribution and Retention

Documents comprising the O&M Manual are officially maintained in the Company’s document management system, Domino.doc., and are available to all employees in the Company via the NiSource Company intranet site by following the links to Pipeline Policy and Procedures. The O&M Manual, or portions of the manual, may be printed for convenience, mobility and ease of reading the documents. The most current version of the O&M Manual plans, policies and procedures are maintained at this electronic site.

The listing of the plans included in the O&M Manual can be found in Exhibit C.

3.5 O&M Manual - Document Clarification and Changes

Questions about the plans within the O&M Manual, and recommendations for changes or corrections of deficiencies to any of these documents, should be addressed to the “Originator” of the document, Engineering Services – Integrity Management, or through the Company’s Continual Improvement web site.

4 RESPONSIBILITIES

All employees, contractors, and third party persons involved in operations or maintenance activities must adhere to these plans.

An Engineering Services Manager or their designee must approve in writing any deviation

from these plans.

4.1 Operations

Operations personnel who recommend changes or note deficiencies in the O&M Manual, or other Company documents referenced in the manual, should communicate, in writing, recommended changes to the originator of the document, Engineering Services – Integrity Management, or a Domino.doc administrator. Revisions or updates to an O&M Manual plan, procedure, or other Company documents may be communicated to Company employees and contract personnel by the Domino.doc administrator via Company email, the NGT&S Maintenance Home Page, or through the Company’s Pipeline Group Continual Improvement web site located at <http://wvapps01.tco.cgs.com/Field/CIHome.nsf/main?OpenPage>.

4.2 Engineering Services

Employees in Engineering Services who recommend changes or note deficiencies in the O&M Manual, or other Company documents referenced in the manual, should communicate, in writing, recommended changes to the originator of the document, Engineering Services – Integrity Management, or a Domino.doc administrator. Revisions or updates to an O&M Manual plan, procedure, or other Company documents may be communicated to Company employees and contract personnel by the Domino.doc administrator via Company email, the NGT&S Maintenance Home Page, or through the Company’s Pipeline Group Continual Improvement web site located at <http://wvapps01.tco.cgs.com/Field/CIHome.nsf/main?OpenPage>.

4.3 Support Staff

Engineering Services – Integrity Management, in conjunction with the originator or responsible process group of the document, NGT&S Field Services Operation and/or Engineering Services team leader, or designee, will act as a “Review Team” to review and update the plans that are contained in the O&M Manual at the interval described in Section 3.2. Updates as the result of plan review as described in Section 3.3 will also be incorporated, when applicable, during this review process.

5 RECORDS

5.1 Company Forms/Databases

Databases – Domino. Doc will be used to manage and record this process. The information provided by the “Field Observation Form” shall be maintained for five years, plus the current year.

5.2 Records Retention

The Domino.doc Administrative Team will maintain Domino.doc, which retains the records, for a minimum period of five years, plus the current year.

6 DEFINITIONS

Originator: The originator of a document is an employee who may be contacted to provide additional clarification and/or interpretation of information contained in a document. The originator's name will be identified in the footer of each document.

7 REFERENCES

7.1 Related Plan Documents

See Exhibit C

7.2 Related Procedure Documents

Refer to plans shown in Exhibit C or procedures on the PP&P page under NGT&S O&M Manual.

7.3 Operator Qualification Tasks

This list of Operator Qualification tasks indicates the tasks that may be associated with this plan.

Task Number:

Title:

None Associated with this Plan.

7.4 Other References or Related Specifications

Not Applicable.

8 REGULATORY CITATIONS AND EXCEPTIONS

8.1 Federal Requirements

Citation Number:

Title:

49 CFR 192.13(c)

General

49 CFR 192.491

Corrosion Control Records

49 CFR 192.517

Records

49 CFR 192.603

General Provisions

49 CFR 192.605

Procedural Manual for Operations, Maintenance

and

Emergencies

49 CFR 192.709

Transmission Lines: Record Keeping

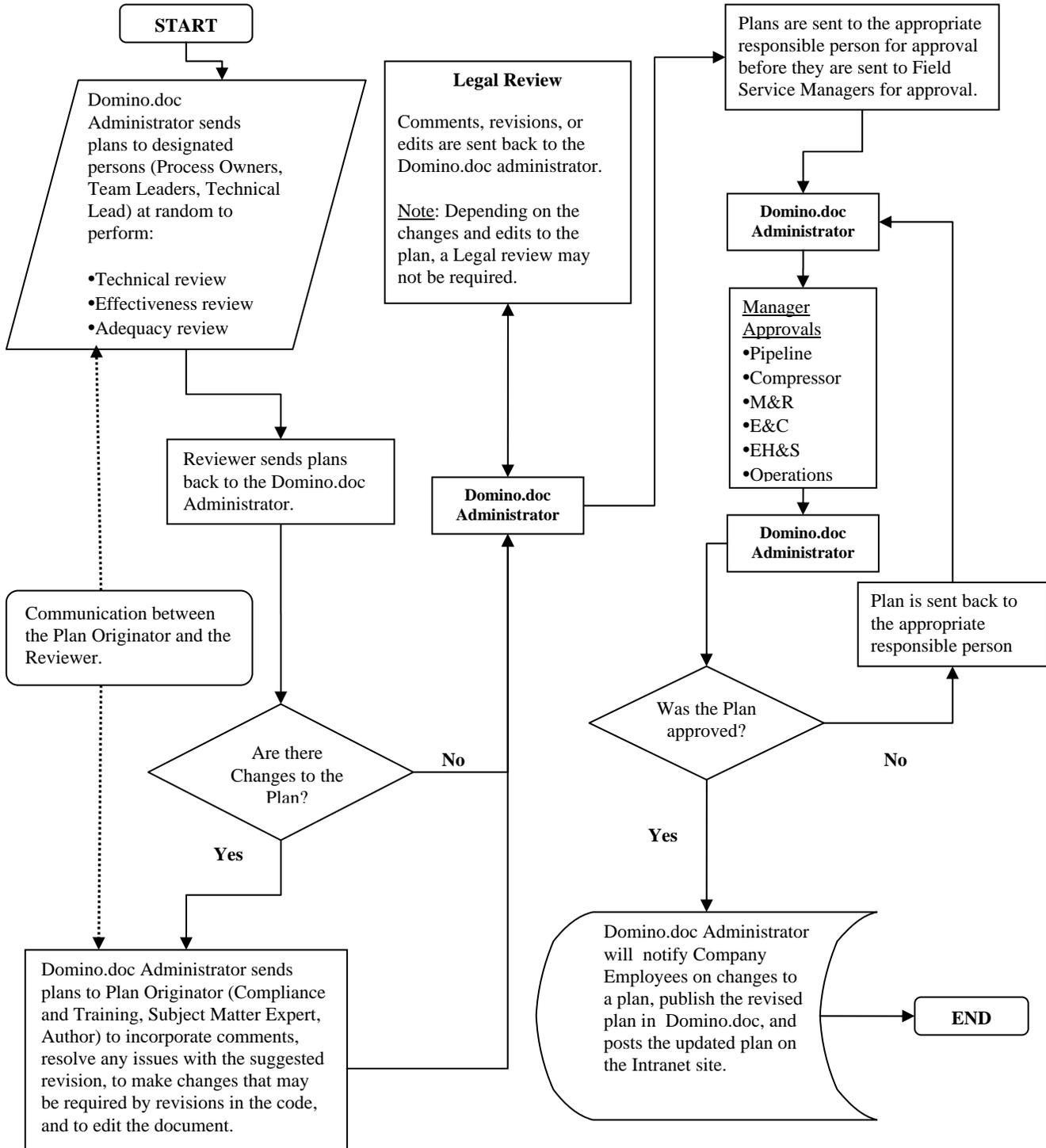
49 CFR 192, Subpart N

Qualification of Pipeline Personnel

8.2 State Requirements

Not Applicable.

**PP&P O&M Manual Review Process
NiSource Gas Transmission and Storage Companies**



Field Observation Documentation Form

Observer(s) Name: _____ Date: _____

Enter the name of person(s) and their position performing the task(s):

<u>Employee:</u>	<u>Position:</u>
_____	_____
_____	_____
_____	_____

Did the task(s) observed require Operator Qualification under the NGT&S DOT Operator Qualification Plan? Yes No

If “Yes”, provide the Operator Qualification Task(s) observed.

<u>Task Number:</u>	<u>Title:</u>
_____	_____
_____	_____
_____	_____

Enter a description of work being performed including location, type of work, adequacy of work, conditions associated with work, etc. _____

Note: For OQ tasks observed, the observations should include the person’s ability to perform the task adequately as well as their ability to react to abnormal operating conditions. In accordance with Section E of the NGT&S DOT Operator Qualification Program, actions should be taken in the event that circumstances indicate that a qualified individual may no longer be qualified to perform a covered task. This would include notification of the Operator Qualification Team and possible suspension of the individuals OQ task specific qualification(s).

Provide a list of the NGT&S O&M Manual Procedure(s) if any, by the person(s) performing the task(s) during the field observations:

<u>Procedure Number:</u>	<u>Title:</u>
_____	_____
_____	_____
_____	_____

Were the procedures adequate and effective? Yes No

If “No”, please describe any ineffectiveness / inadequacies observed. _____

Note: When inadequacies with a procedure are identified they should be brought to the immediate attention of the NGT&S functional group who has primary responsibility for developing the procedure.

The original form shall be sent to Sherri Edwards, NiSource Gas Transmission & Storage, 7th Floor, 1700 MacCorkle Avenue S.E., Charleston, WV 25314. A scan copy of the original form may also be sent to sedwards@nisource.com. The information provided by this form shall be maintained for 5 years plus the current year.

**O&M Manual Plans
NiSource Gas Transmission and Storage Companies**

- 10.01.03 O&M Plan Manual Administration

- 40.02.01 Emergency Shutdown System - Testing and Inspection
- 40.02.04 Gas Detection Systems

- 40.03.01 Compressor Station Operations and Maintenance Supplement

- 70.01.01 External Corrosion Control
- 70.01.02 Internal Corrosion Control

- 100.01.01 Emergency Plan

- 110.01.04 Flammable or Combustible Liquids - Handling and Storage
- 110.01.13 Trenching and Excavation Requirements
- 110.01.17 Hot Work Permit

- 170.03.01 Relief Valve, Safety Shutdown Valves, Rupture Disks and Pressure Shutdown Devices - Testing, Inspection, Repair and Capacity Verification
- 170.03.02 Pressure Regulating and Pressure Limiting Devices - Testing, Inspection and Repair

- 170.04.01 Piping Test Requirements

- 200.01.01 Pipeline Facility As-Built Records

- 210.01.02 Odorization Operations and Maintenance

- 220.01.01 Pipeline and Pipeline Facility Removal or Abandonment in Place

- 220.02.01 Pipeline Repair and Realignment
- 220.02.02 Maximum Allowable Operating Pressure (MAOP)
- 220.02.03 Population Density, Class Location Determination and Evaluation
- 220.02.04 Pipeline Markers and Facility Identification
- 220.02.06 Damage Prevention Program
- 220.02.07 Pipeline Up-rating Requirements

- 220.03.01 Facility Patrol and Leakage Inspection
- 220.03.02 Valve Inspection and Operation
- 220.03.04 Underwater Inspection and Reburial of Pipelines in the Gulf of Mexico and its Inlets
- 220.03.05 Continuing Surveillance

- 220.04.02 Isolation, Blow Down and Purging of Gas Handling Facilities and Equipment
- 220.04.04 Public Awareness Program
- 220.04.05 Prevention of Accidental Ignition

- 220.05.01 DOT Incidents – Reporting and Investigating Requirements
- 220.05.02 Safety Related Conditions – Reporting and Investigating Requirements
- 220.05.03 Abnormal Operations

- 290.01.06 In-Service Welding
- 290.01.07 Tapping Pipelines

Attachment B

**NGT&S O&M Plan 100.01.01 Emergency Plan
&
Emergency Plan Training Review Form**

Emergency Plan

1 SCOPE

This plan provides guidelines for preparing an Emergency Plan Manual, that includes procedures to minimize the hazards resulting from a natural gas pipeline facility (facility) emergency, personnel training requirements and Company liaison responsibilities as required by 49 CFR 192.

2 APPLICABILITY

This plan is applicable to all Company personnel who may be involved in an emergency at a Company pipeline facility (see Section 6, Definitions).

2.1 Safety

The Company is committed to the safety of the public and its employees. Employees are to perform their work in the safest manner with the utmost regard for the safety of themselves and the public. All Company safety policies and procedures, as well as the appropriate Job Hazard assessments, should be reviewed as necessary.

2.2 Operator Qualification

All persons performing tasks covered by 49 CFR 192, Subpart N, shall be qualified according to the Company Operator Qualification Plan.

3 PLANS

During an emergency, employees' actions should be to protect people first, then the environment, and property.

3.1 Emergency Plan Manual

A facility specific Emergency Plan Manual (Manual) shall be developed for each Company location. Although each Manual can be customized for specific facilities and equipment at each location, at a minimum, each Manual should include the following information:

- A. How to receive, identify, and classify notices of events which require immediate response.
- B. An adequate means of establishing and maintaining communication with appropriate fire, police, and other public officials.

- C. How to promptly and effectively respond to various emergencies including gas detected inside or near a building, a fire located near or directly involving a natural gas facility, an explosion occurring near or directly involving a natural gas facility, and a natural disaster.
- D. The availability of personnel, equipment, tools, and materials that may be needed at the scene of an emergency.
- E. Procedures for an emergency shutdown and pressure reduction to any section of the Company's facility that may be required to minimize hazards to life or property.
- F. Information for making the area safe from any actual or potential hazard to life or property.
- G. How to notify the appropriate fire, police, and other public officials of a facility emergency.
- H. Information for coordinating with the appropriate fire, police, and other public officials both planned responses and actual responses during an emergency.
- I. How to safely restore any service outage.
- J. How to begin action to investigate and determine the cause of the emergency, if applicable, and as soon as possible after the emergency.

A template is available to team leaders to use in developing a Manual for their facility.

3.2 **Reviews and Updates**

This plan and each Manual that is maintained shall be reviewed and updated to assure appropriateness and completeness once a calendar year, at intervals not to exceed 15 months. Each Manual should also be updated when critical information (see Section 6, Definitions) in the plan is changed. When a manual is reviewed or updated it should be documented in the Company's work management system using Procedure 100.001.001, Review and Update Emergency Plan.

3.3 **Personnel Training**

The Company is required to train all appropriate operating personnel to assure that they are knowledgeable of the emergency procedures in the Emergency Plan Manual once a calendar year. Training should also include a review of:

- The Company Security Guidelines.
- Employee activities (i.e. during an emergency exercise or actual emergency) to verify that the training being provided is effective, and that the procedures in the

Manual were effectively followed during an emergency exercise or actual emergency.

- The Incident Management Plan.
- Updates to the NiSource Anti Drug Plan and Alcohol Misuse Prevention Program.

Emergency and Incident Management Plan training should be conducted once each calendar year as reference in Section 8.0 for each Facility Specific Emergency Plan. Training should include the knowledge and use of both the site specific Emergency Plan and Incident Management Plan. Additional training requirements are in Plan 220.04.04 Public Awareness Program.

If an employee is absent during the annual training, a follow-up training session should be scheduled to assure everyone has been trained. Training should be conducted at least once per calendar year.

To ensure that the appropriate personnel are knowledgeable of emergency procedures and to determine the effectiveness of the training, an oral or written test (refer to Sample Questions in Appendix C, site specific Emergency Plan) should be given, or an evaluation of the employees' performance during a simulated exercise or actual emergency response should be conducted. Feedback from employees' should also be considered. Verification of the effectiveness of the training and any Lessons Learned from the simulated exercise should be documented using Exhibit A - Emergency Plan Training Review found in Appendix C, site specific Emergency Plan. Any improvements identified as a result of this review should be documented and kept as part of these records and any needed improvements or changes to the training identified during the review should be incorporated into the training program.

3.4 **Liaison with Public Officials and Emergency Response Agencies**

Operating personnel shall establish and maintain a liaison with appropriate fire, police and other public officials in order to:

- Learn the responsibility and resources of each government organization that may respond to a facility emergency.
- Acquaint officials with the Company's ability to respond to a facility emergency.
- Identify the types of facility emergencies in which they may be notified.
- Plan how the Company and emergency officials can engage in a mutual assistance that will minimize hazards to life and/or property.

This contact is established through the public awareness meetings scheduled under the NiSource Gas Transmission & Storage Public Awareness Program, and these records shall be documented in the Company's work management system using Procedure 220.004.004, Public Awareness Activities or electronically using PDQweb. PDQweb is a web based database system managed by Paradigm which houses the NGT&S Public Awareness Program Records, including documentation requirements provided by this

plan.

3.5 Storage Well Emergency

The Company operates 37 storage fields in the States of OH, NY, PA and WV. At locations where storage facilities are operated, storage well emergency response procedures are available (refer to Procedure 250.001.001, Storage Well Emergency Plan or facility-specific Manual). In the event of a catastrophic failure, coordination and preparations for a storage well emergency will be managed by Storage.

RESPONSIBILITIES

4.1 Operations

4.1.1 Team Member

Operating personnel are responsible for having a working knowledge of the information and emergency procedures within the Manual, and their roles and responsibilities in an emergency situation that could occur at their location.

Operations is responsible for establishing and maintaining a liaison with the appropriate fire, police and other public officials.

Operating personnel are responsible for completing the required information in the work management system.

4.1.2 Team Leader

Team leaders are responsible for assuring that each facility-specific Manual developed specifically for their facilities is reviewed and updated.

Team leaders are responsible to ensure that training is provided to all appropriate operating personnel on the emergency procedures, and that the training is effective.

4.2 Support Staff

Engineering Services, System Integrity is responsible for reviewing and updating the template used to develop a Manual.

5 RECORDS

5.1 Company Forms/Database

Manuals shall be maintained as a hard copy at each normally occupied facility that is involved in the transportation of natural gas. This document must be available to all operating personnel.

Only the current and updated facility-specific version of a Manual shall be maintained at the locations noted above. The Company's work management system should be used to document annual reviews for each Manual.

Review and updates to the facility-specific version of the Manual should be documented in Procedure 100.001.001, Review and Update Emergency Plan. Additionally, a revision record in the front of the Manual should be used to reflect past revisions.

A record of the employee training must be maintained. LMS shall be used to document individual employee training records. Records created prior to LMS should be on file at the Company location. Electronic format of these records is permissible. The Company's work management system may be used to schedule training. LMS is the official Company database for employee training records.

Exhibit A - Emergency Plan Training Review found in Appendix C, site specific Emergency Plan should be used to verify the effectiveness of the employee training and document Lessons Learned during a simulated exercise.

Any record of meetings or presentations with any of the appropriate fire, police and/or other public officials should be documented in accordance with Procedure 220.004.004, Public Awareness Activities. For additional information, refer to Section 3.4. Records for meetings conducted under the NGT&S Public Awareness Program are maintained at each Company location. Records may also be requested by contacting the NTG&S Public Awareness Program administrator, or from the NGT&S Public Awareness Team.

Any previous documentation prior to using procedures 100.001.001 and 220.004.004 shall also be maintained.

5.2 Record Retention

With exception to the current and updated Manual, the records identified in Section 5.1 above shall be retained for a minimum period of five years, including the current year. Only the most current and updated Manual should be retained.

6 DEFINITIONS

Critical Information: Information that is essential in assuring a prompt and effective response to any emergency situation.

Pipeline Facility:

1. The physical facilities through which gas moves in transportation, including pipe, valves, and other appurtenances attached to pipe, compressor units, metering stations, regulator stations, delivery stations, holders and fabricated assemblies.
2. New and existing pipelines, rights-of-way and any equipment, facility or building used in the transportation of gas, or in the treatment of gas, during the course of transportation.

Transportation of Gas: The gathering, transmission, or distribution of gas by pipeline or the storage of gas, in or affecting interstate and foreign commerce.

7 REFERENCES

7.1 Related Plan Documents

<u>Plan Number:</u>	<u>Title:</u>
220.02.06	Damage Prevention Plan
220.04.04	Public Awareness Program
220.05.01	DOT Incidents – Reporting and Investigating Requirements
220.05.02	Safety Related Conditions – Reporting and Investigating Requirements
220.05.03	Abnormal Operations Emergency Plan Manual Incident Management Plan

7.2 Related Procedure Documents

<u>Procedure Number:</u>	<u>Title:</u>
100.001.001	Review and Update Emergency Plan
100.001.002	Emergency Plan Training
100.002.001	Emergency Response Plan Template
220.004.004	Public Awareness Activities

7.3 Operator Qualification Tasks

This list of Operator Qualification tasks indicates the tasks that may be associated with this plan.

<u>Task Number:</u>	<u>Title:</u>
None Associated with this Plan.	

7.4 Other References or Related Specifications

- Pipeline Group Security Guidelines
- Emergency Plan and Incident Management Plan Training Guidelines

8 REGULATORY CITATIONS AND EXCEPTIONS

8.1 Federal Requirements

<u>Citation Number:</u>	<u>Title:</u>
49 CFR 192.615	Emergency Plans
49 CFR 192.605	Procedural Manual for Operations, Maintenances, and Emergencies
49 CFR 192, Subpart N	Qualification of Pipeline Personnel

8.2 State Requirements
Not Applicable.

