WARNING LETTER

OVERNIGHT EXPRESS MAIL

June 25, 2012

Mr. William T. Kilpatrick, VP Operations
NiSource Gas Transmission & Storage
1700 MacCorkle Avenue, SE
Charleston, WV 25314

Mr. William T. Kilpatrick:

During the week of March 12, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Columbia Gas Transmission’s gas transmission pipelines in the Cumberland, MD area.

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 violation(s) are:

1. **192.603 General provisions**
   (b) Each operator shall keep records necessary to administer the procedures established under §192.605.

Columbia Gas Transmission (CGT) failed to keep records necessary to administer the procedures established under 192.605. Pursuant to 192.615(b)(2), the operator must train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective.

During the inspection, the PHMSA Inspector asked CGT to describe how they ensure that the appropriate personnel are knowledgeable of emergency procedures and to determine the effectiveness of the training. In response, CGT provided training records and emergency plan test questions. The records did not specifically show that appropriate personnel were knowledgeable of the emergency procedures and that the applied training was effective.
2. 192.481 Atmospheric corrosion control: Monitoring.
   
   (a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

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<th>If the pipeline is located:</th>
<th>Then the frequency of inspection is:</th>
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<tr>
<td>Onshore</td>
<td>At least once every 3 calendar years, but with intervals not exceeding 39 months</td>
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CGT failed to inspect each onshore pipeline or portion of pipeline that was exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, but with intervals not exceeding 39 months.

For pipeline, PL-1804 from L-5727-5726 to L-7166, Waynesburg Yard to Waynesburg CS, CGT did not inspect for evidence of atmospheric corrosion at least once every three calendar years, at intervals not to exceed 39 months. The inspection due on 8/1/2011 was performed on 9/13/2011.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed $100,000 for each violation for each day the violation persists up to a maximum of $1,000,000 for any related series of violations. 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 correct the item(s) identified in this letter. Failure to do so will result in Columbia Gas Transmission Corp being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, please send your correspondence to: Mr. Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628 and in your correspondence please refer to CPF 1-2012-1016W. 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).

Sincerely,

[Signature]

Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration