

**SEPTEMBER 10, 2014**

Mr. Shawn L. Patterson  
President  
Columbia Gas Transmission Corporation  
1700 MacCorkle Avenue, SE  
Charleston, WV 25314

**Re: CPF No. 1-2013-1037**

Dear Mr. Patterson:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation, assesses a civil penalty of \$24,400, and specifies actions that need to be taken by Columbia Gas Transmission Corporation to comply with the pipeline safety regulations. The penalty payment terms are set forth in the Final Order. When the civil penalty has been paid and the terms of the compliance order completed, as determined by the Director, Eastern Region, this enforcement action will be 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, PE, Director, Eastern Region, OPS  
Mr. Perry Michael Hoffman, Manager – System Integrity, Columbia Gas Transmission Corporation

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

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

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<b>In the Matter of</b>	)	
	)	
<b>Columbia Gas Transmission Corporation,</b>	)	<b>CPF No. 1-2013-1037</b>
	)	
<b>Respondent.</b>	)	

**FINAL ORDER**

Between July 23-31, 2012, pursuant to 49 U.S.C. § 60117, inspectors from the New York State Department of Public Service (NYSDPS), acting as agents for the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an on-site pipeline safety inspection of the facilities and records of Columbia Gas Transmission Corporation (CGT) Millennium Pipeline facilities in Kirkwood, NY. CGT, a subsidiary of Columbia Pipeline Group, operates approximately 12,000 miles of pipeline, transporting an average of 3 billion cubic feet of natural gas per day through 10 states.<sup>1</sup>

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated December 23, 2013, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice), which also included a warning pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that CGT had committed various violations of 49 C.F.R. Part 192 and proposed assessing a civil penalty of \$24,400 for the alleged violations. The Notice also proposed ordering Respondent to take certain measures to correct the alleged violations. The warning items required no further action, but warned the operator to correct the probable violation.

CGT responded to the Notice by letter dated February 11, 2014 (Response). The company did not contest the allegations of violation but provided information concerning the corrective actions it had taken and submitted copies of its revised procedures. Respondent did not request a hearing and therefore has waived its right to one.

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<sup>1</sup> See <http://www.columbiapipelinegroup.com/en/about-us/our-companies.aspx#columbiagastransmission>, last visited on August 7, 2014.

## FINDING OF VIOLATION

In its Response and, CGT did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192, as follows:

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 192.603, which states in relevant part:

### **§ 192.603 General Provisions.**

(a) . . . .

(b) Each operator shall keep records necessary to administer the procedures established under § 192.605.

The Notice alleged that Respondent violated 49 C.F.R. § 192.603 by failing to keep records necessary to administer the procedures established under § 192.605. Specifically, the Notice alleged that CGT failed to adequately document what caused a compressor station emergency shutdown (ESD) in its Abnormal Operations Report as required by its procedures. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.603 by failing to keep records necessary to administer the procedures established under § 192.605.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

## ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.<sup>2</sup> In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require. The Notice proposed a total civil penalty of \$24,400 for the violations cited above.

**Item 1:** The Notice proposed a civil penalty of \$24,400 for Respondent's violation of 49 C.F.R. § 192.603, for failing to keep document adequate records necessary to administer the procedures under § 192.605. CGT neither contested the allegation nor presented any evidence or argument

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<sup>2</sup> The Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, Pub. L. No. 112-90, § 2(a)(1), 125 Stat. 1904, January 3, 2012, increased the civil penalty liability for violating a pipeline safety standard to \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.

justifying a reduction in the proposed penalty. Respondent failed to comply with its own procedures for documenting abnormal operations. Operators must properly follow procedures regarding abnormal operations in order to respond to, investigate, and correct the cause of an unintended shutdown, which could result in a hazard. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$24,400 for violation of 49 C.F.R. § 192.603.

In summary, having reviewed the record and considered the assessment criteria for each of the Items cited above, I assess Respondent a total civil penalty of **\$24,400**.

### **COMPLIANCE ORDER**

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49 C.F.R. § 60118. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 192.603 (**Item 1**), Respondent must perform an analysis to determine the cause of the ESD activation and submit the analysis to the Director within 90 days after receipt of this Final Order.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

### **WARNING ITEMS**

With respect to Items 2 and 3, the Notice alleged probable violations of Part 192 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 192.603 (**Item 2**) — Respondent's alleged failure to keep records necessary to administer the procedures established under § 192.605, specifically the records of the capacity review of each and every overpressure protection device required by § 192.743(a); and

49 C.F.R. § 192.603 (**Item 3**) — Respondent's alleged failure to keep records necessary to administer the procedures established under § 192.605, specifically

the records documenting a 2011 field population density survey that was required by its procedures.

CGT presented information in its Response showing that it had taken certain actions to address the cited items. If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

Under 49 C.F.R. § 190.215, Respondent has a right to submit a Petition for Reconsideration of this Final Order. The petition must be sent to: Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2<sup>nd</sup> Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. PHMSA will accept petitions received no later than 20 days after receipt of service of this Final Order by the Respondent, provided they contain a brief statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.215. The filing of a petition automatically stays the payment of any civil penalty assessed. Unless the Associate Administrator, upon request, grants a stay, all other 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