



U.S. Department
of Transportation
Pipeline and Hazardous Materials
Safety Administration

JUN 15 2018

1200 New Jersey Avenue SE
Washington DC 20590

Mr. Stanley Chapman, III
President, US Gas Pipelines
Columbia Midstream Group, LLC
700 Louisiana Street, Suite 700
Houston, TX 77002

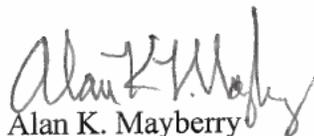
Re: CPF No. 1-2018-6001

Dear Mr. Chapman:

Enclosed please find the Final Order issued in the above-referenced case. It makes two findings of violation and assesses a civil penalty of \$20,700. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated February 21, 2018. When the terms of the compliance order have been completed, as determined by the Director, Eastern Region, this enforcement action will be closed. Service of the Final Order by certified mail is effective upon the date of mailing, as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,


Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Robert Burrough, Director, Eastern Region, Office of Pipeline Safety, PHMSA
Mr. Russell K. Girling, President & CEO, TransCanada Corporation, 450 – 1 St. SW,
Calgary, Alberta, Canada T2P 5H1

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

_____)	
In the Matter of)	
)	
Columbia Midstream Group, LLC,)	CPF No. 1-2018-6001
a subsidiary of TransCanada Corporation,)	
)	
Respondent.)	
_____)	

FINAL ORDER

From April 24-28, 2017, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Columbia Midstream Group, LLC (Columbia or Respondent), a subsidiary of TransCanada Corporation (TransCanada) in Leetonia, Ohio. Columbia operates a hazardous liquid pipeline transporting natural gas liquids products and running approximately 36 miles from the Hickory Bend processing plant in Mahoning County, Ohio, to the UEO Buckeye Kensington Plant in Columbiana County, Ohio.¹

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated January 5, 2018, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Columbia had violated 49 C.F.R. §§ 195.402(a) and 195.403(c) and proposed assessing a civil penalty of \$20,700 for the alleged violations. The Notice also proposed ordering Respondent to take certain measures to correct the alleged violations.

Respondent failed to respond within 30 days of receipt of service of the Notice. Under 49 C.F.R. § 190.208(d), such failure to respond constitutes a waiver of Columbia's right to contest the allegations in the Notice and authorizes the Associate Administrator, without further notice, to find facts as alleged in the Notice and to issue this Final Order under § 190.213. Despite such waiver, on February 23, 2018, the Eastern Region, OPS, reached out to Mr. Lee Romack, Manager of U.S. Regulatory Compliance for Respondent, to confirm the company's receipt of the Notice. In a phone conversation, Mr. Romack confirmed that the Notice had been received, and stated that TransCanada had not intended to contest any of the contents of the Notice. Respondent paid the civil penalty of \$20,700 by wire transfer dated February 21, 2018.

¹ <https://www.transcanada.com/en/operations/natural-gas/columbia-midstream/systems/> (last accessed Mar. 7, 2018).

FINDINGS OF VIOLATION

Columbia did not contest the allegations in the Notice that it violated 49 C.F.R. Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.402(a), which states:

§ 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) *General.* Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

The Notice alleged that Respondent violated 49 C.F.R. § 195.402(a) by failing to follow its own manual of written procedures for conducting normal operations, maintenance, and handling abnormal operations and emergencies. Specifically, the Notice alleged that Columbia failed to follow its abnormal operating conditions (AOC) procedure, pursuant to § 195.402(d)(5), by failing to document the required effectiveness review. During the inspection, Columbia failed to provide PHMSA with any record of an AOC effectiveness review for 2014-2017, despite the company's procedures requiring an effectiveness review twice per calendar year. Columbia stated: "The effectiveness review is conducted through root cause and discussion with the operations team, but this is not documented."

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. § 195.402(a) failing to follow its own manual of written procedures for conducting normal operations, maintenance and handling abnormal operations and emergencies.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 195.403(c), which states:

§ 195.403 Emergency response training.

(a)

(c) Each operator shall require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under §195.402 for which they are responsible to ensure compliance.

The Notice alleged that Respondent violated 49 C.F.R. § 195.403(c) by failing to require and verify that its supervisors maintained a thorough knowledge of the portion of the emergency response procedures established under § 195.402 for which they are responsible to ensure compliance. Specifically, the Notice alleged that during the inspection, the PHMSA inspector

requested records of supervisor training for 2015-2016 regarding emergency response procedures. Columbia was allegedly unable to provide any documentation, training record, or response demonstrating that it had verified that supervisors maintained a thorough knowledge of the portions of the emergency response procedures for which they were responsible to ensure compliance. The PHMSA inspector also reviewed Columbia's *Emergency Response Plan Manual Administration Plan*, dated December 7, 2016, and *Liquid Pipeline Emergency Plan*, dated February 16, 2017. The Notice alleged that the procedures did not include details such as: (1) defining the emergency response supervisor's role; (2) the emergency response supervisor's training requirements; or (3) the process for verification of a supervisor's knowledge. The PHMSA inspector asked Columbia where the applicable information was documented and Columbia was unable to provide a response.

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. § 195.403(c) by failing to require and verify that its supervisors maintained a thorough knowledge of the portion of the emergency response procedures established under § 195.402 for which they are responsible to ensure compliance.

These findings of violation will be considered prior offenses 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.² 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; the Respondent's ability to pay the penalty 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 \$20,700 for the violation cited above in Item 1.

Item 1: The Notice proposed a civil penalty of \$20,700 for Respondent's violation of 49 C.F.R. § 195.402(a), for failing to follow its manual of written procedures for operations, maintenance, and emergencies. Columbia neither contested the allegation nor presented any evidence or argument justifying elimination of the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria for violation of 49 C.F.R. § 195.402(a), I assess Respondent a total civil penalty of **\$20,700**, which has already been paid in full by wire transfer dated February 21, 2018.

² These amounts are adjusted annually for inflation. See, e.g., Pipeline Safety: Inflation Adjustment of Maximum Civil Penalties, 82 Fed. Reg. 19325 (April 27, 2017).

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 2 in the Notice, for the violation of 49 C.F.R. § 195.403(c). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids 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:

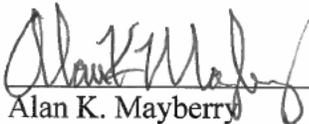
1. With respect to the violation of § 195.403(c) (**Item 2**), Respondent must, within 60 days of issuance of this Final Order, revise its procedures to include guidance for requiring and verifying supervisors' knowledge of emergency response procedures for which they are responsible.

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.

It is requested (not mandated) that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. 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.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), 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.

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



Alan K. Mayberry
Associate Administrator
for Pipeline Safety

JUN 15 2018

Date Issued