Mr. Reed Robinson
Vice President, Field Services
Columbia Gas Transmission Corp.
P.O. Box 1273
Charleston, WV 25325

RE: CPF No. 2-2006-1002

Dear Mr. Robinson:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes a finding of violation and requires certain corrective actions. I acknowledge receipt of wire transfer #061130014421 and accept payment dated November 30, 2006 for $35,000 as payment in full of the civil penalty assessed in this Final Order. Your receipt of the Final Order constitutes service of that document under 49 C.F.R.§ 190.5. At such time that the terms of the compliance order are completed, as determined by the Director, Southern Region, this enforcement action will be closed.

Sincerely,

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

cc: David Kirkland, Manager-Pipeline Services, Columbia Gas
    Linda Daugherty, Director, OPS Southern Region

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590

In the Matter of
)
)
COLUMBIA GAS TRANSMISSION CORPORATION, ) CPF No. 2-2006-1002
)
Respondent
)

FINAL ORDER

Between June 6 and June 10, 2005, and November 28 – December 2, 2005 pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety (OPS), Southern Region, conducted an inspection of the natural gas pipeline facilities of Columbia Gas Transmission Corporation (Respondent) in Kentucky and reviewed records at your Cattletsburg, Pikeville and Winchester offices. As a result of the inspection, the Director, Southern Region, OPS, issued to Respondent, by letter dated October 30, 2006, 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 Respondent had violated 49 C.F.R. § 192.805, assessing a total civil penalty of $35,000 for the alleged violation, and ordering that Respondent take certain measures to correct the alleged violation.

Respondent replied to the Notice by letter dated, December 1, 2006 (Response). Respondent did not contest the allegation of violation and submitted payment for the proposed civil penalty. Respondent did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

Item 1 in the Notice alleged that Respondent violated 49 C.F.R. § 192.805, which provides:

§ 192.805. Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:
(a) Identify covered tasks;
(b) Ensure through evaluation that individuals performing covered tasks are qualified;.....

The Notice alleged that Respondent did not ensure through evaluation that individuals performing the covered task “Conduct gas leakage surveys” were qualified. Grade 3 Leak survey
results audited for the Lockwood and Winchester areas were found to be unacceptable and indicative of individuals not understanding how to perform this particular task.

Respondent’s own procedures, entitled “Columbia Gas Transmission Operating Procedures, Plan No. 220.03.01, Section 3.3.3,” permits Grade 3 Leaks to be monitored without repair. A Grade 3 Leak, in a rural area, is defined by Respondent’s procedures as a leak with a measured gas in air value of less than 50% when measured in a bar hole. The Grade 3 Leak survey results were reviewed for the Lockwood and Winchester areas and found to be unacceptable. The results of the Grade 3 Leak surveys for 2004 and 2005 are detailed in a table in the Notice. All locations in the Lockwood area indicate 100% gas. The value of 100% exceeds Respondent’s criteria of less than 50% gas for a Grade 3 Leak, though all these locations have continued to be classified as Grade 3 leaks. Most of the locations in the Winchester area have a % Lower Explosive Limit (LEL) value and a % Gas value. These values are neither consistent nor logical because 100% LEL is approximately 5% gas.

During the inspection, these Grade 3 Leak survey results were discussed with Respondent. Respondent indicated that the 100% Gas values in the Lockwood area were the result of the % LEL value being incorrectly entered into the % Gas field of the MAXIMO database. The % Gas value, which is needed to classify leaks, was not entered at all. Respondent could not explain the data relative to the Winchester Area, which demonstrates that these individuals do not understand the proper method to perform the covered task, “Conduct gas leakage surveys.”

Respondent did not contest the allegation of violation in the Notice. Accordingly, I find that Respondent violated 49 C.F.R. § 195.805 by failing to use an evaluation method to ensure that individuals performing the subject-covered task were qualified. This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

**ASSESSMENT OF PENALTY**

The Notice proposed a $35,000 civil penalty for violation of 49 C.F.R. § 192.805(a). Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed $100,000 per violation for each day of the violation up to a maximum of $1,000,000 for any related series of violations.

49 U.S.C. § 60122 and 49 C.F.R. § 190.225 require that, in determining the amount of the civil penalty, I consider the following criteria: nature, circumstances, and gravity of the violation; degree of Respondent's culpability; history of Respondent's prior offenses; Respondent's ability to pay the penalty; good faith by Respondent in attempting to achieve compliance; the effect on Respondent's ability to continue in business; and such other matters as justice may require.

The proposed penalty of $35,000 is based upon Respondent's failure to ensure through evaluation that individuals performing covered task “Conduct gas leakage surveys” were qualified and its failure to ensure that the evaluation method used was adequate to qualify
individuals to perform the subject-covered. Accordingly, having reviewed the record and considered the assessment criteria, I hereby assess Respondent a civil penalty of $35,000 for violation of 49 C.F.R. § 192.805, which amount has already been paid by the Respondent and received by OPS.

**COMPLIANCE ORDER**

The Notice proposed a compliance order with respect to Item 1 for violation of 49 C.F.R. § 192.805. 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. Respondent must –

1. Conduct an evaluation of the Operator Qualification Requirements and Evaluation methods detailed in the Columbia Gas Transmission Operator Qualification Plan for the covered task entitled, “Conduct gas leakage surveys.” This evaluation should determine what inadequacies exist in the current plan that resulted in the unaccepteble Grade 3 Leak survey results found in the Lockwood and Winchester areas. A written evaluation report shall be submitted within 30 days of your receipt of this Final Order.

2. Revise the Columbia Gas Transmission Operator Qualification Plan to address the results of the evaluation described in Item 1 above. Submit the revised Columbia Gas Transmission Operator Qualification Plan within 60 days of your receipt of this Final Order.

3. Resurvey the Subject Grade 3 Leak areas within 30 days following receipt of this Final Order. Submit the leakage survey results and the qualification records of the individual(s) performing the leakage surveys.

4. Submit copies of all reports, documentation, and findings to demonstrate completion of the tasks detailed above to the Director, OPS, Southern Region, 233 Peachtree Street, Suite 600, Atlanta, GA 30303. These records will be subject to future inspections.

5. The Director, OPS, Southern Region may grant an extension of time for compliance with any of the terms of this Final Order for good cause. A request for an extension must be in writing.

Failure to comply with this Final Order may result in the assessment of civil penalties of up to $100,000 per violation per day, or in the referral of the case for judicial enforcement.
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 received within 20 days of Respondent’s receipt of this Final Order and must contain a brief statement of the issue(s). The terms of the Final Order, including any required corrective action, shall remain in full effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective on receipt.

Jeffrey R. Wiese
Associate Administrator
for Pipeline Safety

NOV 7 2007

Date Issued