

**NOTICE OF PROBABLE VIOLATION
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 7, 2011

Victor Gaglio
Sr. Vice President - Operations
Columbia Gulf Transmission Company
1700 McCorkle Avenue
Charleston, WV 25314

CPF 4-2011-1014

Dear Mr. Gaglio:

During 2010, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Columbia Gulf Transmission Company pipeline system located in the states of Louisiana, Mississippi, Tennessee and Kentucky.

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. §191.5 Telephonic notice of certain incidents.

(a) At the earliest practicable moment following discovery, each operator shall give notice in accordance with paragraph (b) of this section of each incident as defined in §191.3.

CGT failed to make telephonic notifications to the NRC at the earliest practical moment following discovery for the followings two instances. The two instances are: 1) Incident ID 20070099, NRC #844332: time of incident 0830 on 8/3/07, notification made 1238 on 8/3/07. Internal Corrosion on 36-inch offshore Vermilion Block #76 pipeline; and 2) Incident ID 20060111, NRC #809201: time of incident 1700 on 8/25/06, notification

made 2140 on 8/25/06. Faulty heat sensor at Corinth CS caused an ESD, a fire gate failed to close and a 24-inch valve released until manually closed. The initial telephonic reports should have been made within 2 hours of discovery of the incidents.

Advisory Bulletin, ADB-02-04 was issued on August 30, 2002 requiring operators to ensure that telephonic reports of incidents to the National Response Center (NRC) are both prompt and accurate and fully communicate the estimated extent of the damages. The bulletin further states that the pipeline safety regulations require operators to make a telephonic report of an incident at the earliest practical opportunity, usually in one to two hours after discovering the incident. Additional reports should be made if the reported information changes significantly.

2. §192.605 Procedural manual for operations, maintenance, and emergencies

Each operator shall include the following in its operating and maintenance plan:

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response...

§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.

CGT did not provide emergency training documentation for control center personnel that would demonstrate the gas controllers and monitoring center personnel were trained in the Emergency Plan and therefore knowledgeable in the emergency procedures as required by 49 CFR §192.615 (b)(2). On May 24, 2010, CGT provided a notarized sign-in sheet (signed by all gas control and monitoring center personnel) to the PHMSA Inspection Team along with a copy of the Incident Management Plan Training brochure. Each individual on the sign-in sheet was to have attended the training per CGT.

At the time of this inspection, CGT had failed to document training of the Control Center personnel on the Emergency Procedures and failed to document the verification of the effectiveness of those procedures.

Warning Items

With respect to item 1, 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 promptly correct this item. Be advised that failure to do so may result in Columbia Gulf Transmission Company being subject to additional enforcement action.

Proposed Compliance Order

With respect to item 2 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Columbia Gulf Transmission Company. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

In your correspondence on this matter, please refer to **CPF 4-2011-1014** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Columbia Gulf Transmission Company a Compliance Order incorporating the following remedial requirements to ensure the compliance of Columbia Gulf Transmission Company with the pipeline safety regulations:

1. In regard to Item Number 2 of the Notice pertaining to the failure of CGT to document and keep on file records necessary to demonstrate that Gas Control and Monitoring Center personnel were trained and are knowledgeable in the Emergency Procedures and verified that the training was efficient, CGT must train each Gas Controller and Monitoring Center individual in the Emergency Procedures. The training must be documented and verified for effectiveness.
2. CGT must perform and document this training within 45 days following the receipt of the Final Order.
4. It is requested (not mandated) that Columbia Gulf Transmission Company maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. 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.