March 5, 2024

VIA ELECTRONIC MAIL TO: stanley_chapman_III@tcenergy.com

Mr. Stanley Chapman III
President and Chief Executive Officer
Columbia Gas Transmission, LLC
700 Louisiana Street
Houston, Texas 77002

CPF No. 1-2023-043-NOPV

Dear Mr. Chapman:

Enclosed please find a Consent Order incorporating the terms of the Consent Agreement between the Pipeline and Hazardous Materials Safety Administration (PHMSA) and Columbia Gas Transmission, LLC, which was executed on February 22, 2024. When the civil penalty has been paid, this enforcement action will be closed. Service of the Consent Order and Consent Agreement by electronic mail is deemed effective upon the date of transmission and acknowledgement of receipt, or as otherwise 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

Enclosures: Consent Order and Consent Agreement

cc: Mr. Robert Burrough, Director, Eastern Region, Office of Pipeline Safety, PHMSA
Ms.Tina Faraca, Executive Vice President and President, U.S. Natural Gas Pipelines, Columbia Gas Transmission, tina_faraca@tcenergy.com
Ms. Amy Willis, Director, U.S. Regulatory Compliance, Columbia Gas Transmission, amy_willis@tcenergy.com

Mr. Dan Cerkoney, Senior Manager, Regulatory Compliance, Columbia Gas Transmission, dan_cerkoney@tcenergy.com
Mr. Keith Coyle, Esq., Babst Calland, Outside Counsel for Columbia Gas Transmission, kcoyle@babstcalland.com

CONFIRMATION OF 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 Gas Transmission, LLC,	)	**CPF No. 1-2023-043-NOPV**
Respondent.	)	

CONSENT ORDER

By letter dated July 28, 2023, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), issued a Notice of Probable Violation, Proposed Civil Penalty (Notice) to Columbia Gas Transmission, LLC (TCO or Respondent).

In response to the Notice, Respondent contested the alleged violation, the proposed civil penalty, and requested a hearing (Response). TCO also requested to meet informally with PHMSA to discuss the matters raised in its Response. Respondent and PHMSA (the Parties) subsequently met to discuss the issues raised in the Response. As a result of those discussions, as explained in more detail below, the Parties have agreed to a Consent Agreement by which PHMSA makes a finding of violation of 49 C.F.R. § 192.605(a), and Respondent will pay a reduced civil penalty in the amount of **$50,205**.

Accordingly, the Consent Agreement is hereby approved and incorporated by reference into this Consent Order. Respondent is hereby ordered to comply with the terms of the Consent Agreement pursuant to its terms. Pursuant to 49 U.S.C. § 60101, *et seq*., failure to comply with this Consent Order may result in the assessment of civil penalties as set forth in 49 U.S.C. § 60122 and 49 C.F.R. § 190.223, or in referral to the Attorney General for appropriate relief in a district court of the United States.

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

March 5, 2024

_____________________________ _____________________
Alan K. Mayberry Date Issued
Associate Administrator
for Pipeline Safety

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

In the Matter of	)	
	)	
Columbia Gas Transmission, LLC,	)	**CPF No. 1-2023-043-NOPV**
	)	
Respondent.	)	

CONSENT AGREEMENT

From November 2, 2021, through July 22, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.), conducted an inspection of the procedures and records of Columbia Gas Transmission, LLC (TCO or Respondent). The inspection was of TCO's pipeline inspection systems IS 1750, IS 1753, and IS 15900 in Pennsylvania, West Virginia, and Kentucky, respectively. TCO, a subsidiary of TC Energy, operates approximately 12,000 miles of natural gas pipelines across numerous states.

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated July 28, 2023, a Notice of Probable Violation and Proposed Civil Penalty (Notice), which also included a warning item pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that TCO committed a violation (Item 1) of the conditions of a special permit[1] (Special Permit) and proposed a civil penalty of $68,800. The Notice also brought one probable violation (Item 2) as a warning, advising Respondent to correct the alleged violation or face potential future enforcement action.

TCO timely responded to the Notice on August 25, 2023 (Response). Respondent contested Item 1 in the Notice and the proposed civil penalty and requested a hearing in this matter. Respondent also requested to meet informally with PHMSA to discuss the issues raised in the Response. Respondent stated it was not contesting the warning in Item 2 of the Notice.

PHMSA and Respondent (the Parties) subsequently met to discuss the issues raised in the Response. As a result of those discussions, and as explained in more detail below, the Parties

[1] On April 13, 2010, PHMSA issued an order pursuant to 49 C.F.R. § 190.341 at docket no. PHMSA-2008-0331 granting TCO the Special Permit waiving certain requirements of 49 C.F.R. Part 192 with conditions and limitations. PHMSA renewed the special permit on September 1, 2015, and March 31, 2022, with amendments modifying the special permit segment definitions, special permit conditions, and special permit limitations.

have agreed to a Consent Agreement by which PHMSA makes a finding of violation of 49 C.F.R. § 192.605(a) and Respondent will pay a reduced civil penalty assessment of $50,205 for the violation.

Having agreed that settlement of this proceeding will avoid further administrative proceedings or litigation and will serve the public interest by promoting safety and protection of the environment, pursuant to 49 C.F.R. Part 190, and upon consent and agreement, the Parties hereby agree as follows:

I. General Provisions

1. Respondent acknowledges that as the operator of the pipeline facilities subject to the Notice, Respondent and its referenced pipeline facilities are subject to the jurisdiction of the Federal pipeline safety laws, 49 U.S.C. § 60101, et seq., and the regulations and administrative orders issued thereunder. For purposes of this Agreement, Respondent acknowledges that it received proper notice of PHMSA's action in this proceeding and that the Notice states claims upon which relief may be granted pursuant to 49 U.S.C. § 60101, et seq., and the regulations and orders issued thereunder.

2. After Respondent returns this signed Agreement to PHMSA, the Agency's representative will present it to the Associate Administrator for Pipeline Safety, recommending that the Associate Administrator adopt the terms of this Consent Agreement by issuing an administrative order (Consent Order) incorporating the terms of this Agreement. The terms of this Agreement constitute an offer of settlement until accepted by the Associate Administrator. Once accepted, the Associate Administrator will issue a Consent Order incorporating the terms of this Agreement.

3. Respondent consents to the issuance of the Consent Order, and hereby waives any further procedural requirements with respect to its issuance. Respondent waives all rights to contest the adequacy of notice, or the validity of the Consent Order or this Agreement, including all rights to administrative or judicial hearings or appeals, except as set forth herein. Respondent agrees to withdraw its request for an administrative hearing regarding the Notice.

4. This Agreement shall apply to and be binding upon PHMSA and Respondent, its officers, directors, and employees, and its successors, assigns, or other entities or persons otherwise bound by law. Respondent agrees to provide a copy of this Agreement and any incorporated work plans and schedules to all of Respondent's officers, employees, and agents whose duties might reasonably include compliance with this Agreement.

5. This Agreement constitutes the final, complete, and exclusive agreement and understanding between the Parties with respect to the settlement embodied in this Agreement. The Parties acknowledge that there are no representations, agreements, or understandings relating to settlement other than those expressly contained in this Agreement, except that the terms of this Agreement may be construed by reference to the Notice.

6. Nothing in this Agreement affects or relieves Respondent of its responsibility to comply with all applicable requirements of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq*., and the regulations and orders issued thereunder. Nothing in this Agreement alters PHMSA's right of access, entry, inspection, and information gathering or PHMSA's authority to bring enforcement actions against Respondent pursuant to the Federal pipeline safety laws, the regulations and orders issued thereunder, or any other provision of Federal or State law.

7. For all transfers of ownership or operating responsibility of Respondent's pipeline system referenced herein, Respondent will provide a copy of this Agreement to the prospective transferee at least 30 days prior to such transfer. Respondent will provide written notice of the transfer to the PHMSA Eastern Region Director no later than 60 days after the transfer occurs.

8. This Agreement does not waive or modify any Federal, State, or local laws or regulations that are applicable to Respondent's pipeline systems. This Agreement is not a permit, or a modification of any permit, under any Federal, State, or local laws or regulations. Respondent remains responsible for achieving and maintaining compliance with all applicable Federal, State, and local laws, regulations and permits.

9. This Agreement does not create rights in, or grant any cause of action to, any third party not party to this Agreement. The U.S. Department of Transportation is not liable for any injuries or damages to persons or property arising from acts or omissions of Respondent or its officers, employees, or agents carrying out the work required by this Agreement. Respondent agrees to hold harmless the U.S. Department of Transportation, its officers, employees, agents, and representatives from any and all causes of action arising from any acts or omissions of Respondent or its contractors in carrying out any work required by this Agreement.

10. Except as otherwise specified herein, this Agreement does not constitute a finding of violation of any other federal law or regulation and may not be used in any civil proceeding of any kind as evidence or proof of any fact, fault, or liability, or as evidence of a violation of any law, rule, regulation, or requirement, except in a proceeding to enforce the provisions of this agreement or in future PHMSA enforcement actions.

11. Upon issuance of the Consent Order, the Parties agree to the following terms.

II. <u>Finding of Violation</u>:

12. **Item 1**: The Notice alleged Respondent failed to follow the requirements of Condition 20 of the 2015 Special Permit regarding response time following the performance of an in-line inspection tool run in a special permit inspection area. Specifically, the Notice alleged TCO failed to immediately correct a crack anomaly on the 30-inch SM-80 LOOP pipeline in accordance with the Special Permit after documentation indicated an anomaly with a failure pressure ratio of 0.55. During informal settlement discussions, Respondent contested the allegation and presented additional information regarding crack anomaly applicability under the previous terms of the Special Permit, and information regarding the application of its procedures to such anomalies under 49 C.F.R. § 192.712, as amended by *Pipeline Safety: Safety of Gas Transmission Pipelines: MAOP Reconfirmation, Expansion of Assessment Requirements, and*

Other Related Amendments, 84 Fed. Reg. 52,180 (Oct 1, 2019). As a result of the additional information presented, the Parties agree that TCO violated 49 C.F.R. § 192.605(a) by failing to follow its written procedures under § 192.712(e) addressing data in the analyses of predicted or assumed anomalies. This finding of violation shall be considered by PHMSA as a prior violation in any future PHMSA enforcement action taken against Respondent.

III. Warning Item:

13. **Item 2**: The Notice alleged TCO violated 49 C.F.R. § 192.605(a) when it failed to follow its manual of written procedures. Specifically, TCO failed to follow its MAOP Verification Procedure when designating pipeline attributes utilized in determining pipeline segment applicability under § 192.624(a).

14. For Warning Item 2, if OPS finds a violation of this provision in a subsequent inspection, Respondent may be subject to future enforcement action.

IV. Civil Penalty:

15. **Item 1**: The Notice proposed a civil penalty of $68,800 for the alleged violation. As discussed above, the Parties agree that a violation of 49 C.F.R. § 192.605(a) for failure to follow TCO's written procedures under 49 C.F.R § 192.712(e) addressing data in the analyses of predicted or assumed anomalies is appropriate. Therefore, PHMSA agrees that an amended civil penalty (reduced gravity consideration) is appropriate, because the anomaly location in question cited in the NOPV is not located within a high- or medium- consequence area (as it may otherwise be treated within a special permit inspection area). Respondent agrees, without admission, to pay a civil penalty in the amount of **$50,205** for the violation in Item 1.

16. Respondent shall pay the civil penalty in the amount of **$50,205**, pursuant to the payment instructions at 49 C.F.R. § 190.227(a), to be paid in full no later than 20 days from the Effective Date of this Agreement.

V. Effective Date:

17. The term "Effective Date," as used herein, is the date on which the Consent Order is issued by the Associate Administrator, PHMSA, incorporating the terms of this Agreement.

VI. Enforcement:

18. This Agreement is subject to all enforcement authorities available to PHMSA under 49 U.S.C. § 60101, *et seq*., and 49 C.F.R. Part 190, including administrative civil penalties under 49 U.S.C. § 60122, of up to $266,015 per violation for each day the violation continues and referral of the case to the Attorney General for judicial enforcement, if PHMSA determines that Respondent is not complying with the terms of this Agreement. The maximum civil penalty amounts are adjusted annually for inflation. *See* 49 C.F.R. § 190.223.

VII. <u>Modification</u>:

19. The terms of this Agreement may be modified by mutual agreement of the Parties. Such modifications must be in writing and signed by both parties.

VIII. <u>Ratification</u>:

20. The Parties' undersigned representatives certify that they are fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind such party to this document.

21. The Parties hereby agree to all conditions and terms of this Agreement.

IX. Termination:

22. This Agreement will remain in effect until the civil penalty in Section IV is paid. This enforcement action will be closed upon payment.

For Columbia Gas Transmission, LLC:

____

____
Date

For PHMSA:

____
Director, Eastern Region, Office of Pipeline Safety

____
Date