

July 9, 2025

VIA ELECTRONIC MAIL TO: tina_faraca@tcenergy.com

Tina Faraca
Executive Vice President & President
U.S. Natural Gas Pipelines
TC Energy Corporation
700 Louisiana Street
Houston, Texas 77002

CPF No. 4-2024-034-NOPV

Dear Ms. Faraca:

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 June 23, 2025. 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 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosure: Consent Order and Consent Agreement

cc: Mr. Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety, PHMSA
Amy Willis, Director, Pipeline Safety Compliance, U.S. Natural Gas, TC Energy

Corporation, amy_willis@tcenergy.com
Mr. Daniel Cerkoney, Senior Manager, Pipeline Safety Compliance, U.S. Natural Gas, TC
Energy Corporation, dan_cerkoney@tcenergy.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. 4-2024-034-NOPV	
a subsidiary of TC Energy Corp)		
)		
Respondent.)		
_____)		

CONSENT ORDER

By letter dated August 27, 2024, pursuant to 49 CFR § 190.207, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), issued a Notice of Probable Violation and Proposed Compliance Order (Notice) to Columbia Gas Transmission, LLC¹ (Columbia Gas or Respondent).

In response to the Notice, Respondent contested one of the alleged violations and its associated proposed compliance actions, and did not request a hearing(Response). Columbia Gas also requested to meet informally with PHMSA to discuss the matters raised in its Response. Respondent and PHMSA (the Parties) subsequently met on December 19, 2024. As a result of those discussions, the Parties have agreed to a Consent Agreement by which PHMSA makes findings of violations for each of the Items alleged in the Notice, and Respondent will complete certain compliance actions.

Accordingly, the Consent Agreement is hereby approved and incorporated by reference into this Consent Order issued pursuant to § 190.219. Columbia Gas 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 CFR § 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 CFR § 190.5.

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Date Issued

¹ Columbia Gas is a subsidiary of TC Energy Corporation.

**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, a subsidiary of TC Energy Corp.)	CPF No. 4-2024-034-NOPV
)	
Respondent.)	
)	

CONSENT AGREEMENT

From March 11 through 15, 2024, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of Title 49, United States Code (U.S.C.), conducted an on-site pipeline safety inspection of the Chesapeake LNG facility and records of Columbia Gas Transmission, LLC² (Columbia Gas or Respondent) in Chesapeake, Virginia.

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated August 27, 2024, a Notice of Probable Violation and Proposed Compliance Order (Notice), which also included a warning pursuant to 49 CFR § 190.205. In accordance with 49 CFR § 190.207, the Notice proposed finding that Columbia Gas committed one violation of 49 CFR Part 191 (Item 2), two violations of 49 CFR Part 193 (Items 1 and 4), and proposed ordering Respondent to take certain measures to correct the alleged violations. Other probable violations (Items 3 and 5) were brought as warnings, advising the operator to correct the probable violations or face potential future enforcement action.

TC Energy Corporation (TC Energy) responded to the Notice on behalf of Columbia Gas by letter dated October 9, 2024 (Response). Respondent contested one of the alleged violations and the proposed compliance order without requesting a hearing. Respondent also requested to meet informally with PHMSA to discuss the matters raised in its Response.

PHMSA and Respondent (the Parties) subsequently met to discuss the issues raised in the Response on December 19, 2024 and April 7, 2025. As a result of those discussions and as explained in more detail below, the Parties have agreed to a Consent Agreement by which PHMSA makes findings of violations for each of the Items alleged in the Notice, and Respondent will complete certain compliance actions.

² Columbia Gas is a subsidiary of TC Energy Corporation.

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 U.S.C. § 60101, *et seq.* and 49 CFR 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 Consent Agreement (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 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 for the Dispute Resolution provisions 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 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 set forth 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.

II. Findings of Violation:

11. ***Item 1 - 49 CFR § 193.2503:*** The Notice alleged Columbia Gas failed to follow one or more manuals of written procedures to provide safety in normal operation and in responding to an abnormal operation that would affect safety in accordance with § 193.2503. Specifically, the Notice alleged that Columbia Gas failed to follow section 4.7 of its *LNG O&M Manual Chesapeake; 193.2503 Operating Procedures (Operations) (US)* (Rev. 4; Dec. 1, 2023), which included requirements for maintaining temperatures, pressures, pressure differentials and flow rates within its design limits because it operated above the stated maximum liquefaction rate of 5 MMCF/D. Respondent initially contested the allegation of violation and the associated Proposed Compliance Order. Respondent provided additional information in its Response and during settlement discussions, including records documenting the design basis of its feed pretreatment and liquefaction system, and an analysis of its liquefaction system prepared by a third-party engineering firm. As a result of those discussions, the Parties agree that PHMSA will find a violation as alleged in the Notice and Columbia Gas will take alternative actions to remediate the violation. As such, PHMSA finds a violation of 49 CFR § 193.2503.

12. ***Item 2 - 49 CFR § 191.17:*** The Notice alleged that Columbia Gas failed to submit an accurate annual report for calendar years 2021 and 2023 in accordance with § 191.17(b).

Specifically, the Notice alleged that Columbia Gas's annual reports indicated a maximum daily liquefaction rate of 5 MMCF/D, but records reviewed during the inspection show that this daily rate was exceeded. Respondent does not contest the allegation of violation as alleged in the Notice. As such, PHMSA finds a violation of 49 CFR § 191.17.

13. **Item 4 - 49 CFR § 193.2801:** The Notice alleged Columbia Gas failed to provide and maintain fire protection at its LNG plant according to sections 9.1 through 9.7 and section 9.9 of NFPA-59A-2001 in accordance with § 193.2801. Specifically, the Notice alleged that Columbia Gas failed to provide fire protection as determined by an evaluation based on sound fire protection engineering principles, analysis of local conditions, hazards within the facility, and exposure to or from other property in accordance with section 9.1.2 of NFPA-59A-2001. Respondent does not contest the allegation of violation as alleged in the Notice. As such, PHMSA finds a violation of 49 CFR § 193.2801.

14. Items 1, 2, and 4 will be considered by PHMSA as prior offenses in any future PHMSA enforcement action taken against Respondent.

III. Warning Items:

15. **Item 3 - 49 CFR § 193.2503:** The Notice alleged that Columbia Gas failed to follow one or more manuals of written procedures to provide safety in normal operation and in responding to an abnormal operation that would affect safety in accordance with § 193.2503. Specifically, the Notice alleged that Columbia Gas failed to follow section 4.1 of its *LNG O&M Manual Chesapeake; 193.2611 Fire Protection. (Maintenance) (US)* (Rev. 4; Dec. 1, 2023) which requires firewater pumps to be acceptance tested when installed or after major repairs. This Item was brought as a warning Item and does not constitute a finding of violation. Respondent accepts the warning as alleged in the Notice.

16. **Item 5 - 49 CFR § 193.2505:** The Notice alleged that Columbia Gas failed to check its cryogenic piping systems for leaks in areas of flanges, valves, and seals after cooldown stabilization was reached in accordance with § 193.2505(b). Specifically, the notice alleged that Columbia Gas failed to provide records indicating that leak checks were performed after cooldown stabilization of the vaporizer between November 27 and 28, 2023. This Item was brought as a warning Item and does not constitute a finding of violation. Respondent accepts the warning as alleged in the Notice.

17. For Warning Items 3 and 5, if OPS finds a violation of these provisions in a subsequent inspection, Respondent may be subject to future enforcement action.

V. Compliance Order:

18. **Item 1:** The Notice proposed certain compliance order actions to address the non-compliance alleged in the Notice. Respondent initially contested the Proposed Compliance Order. Following informal discussions, the Parties agreed to modify the proposed compliance actions for Item 1. As such, Respondent agrees to undertake the following corrective measures:

- a. Revise its manuals of written procedures to update maximum refrigerant flow rates, maximum refrigerant suction pressure, and maximum amps on the driver for the refrigerant compressor. The revised procedures must include procedural safeguards to ensure that operating parameters are not exceeded. In addition, Columbia Gas agrees to post the revised procedures in its Control Center for controllers and operations personnel to easily reference. Columbia Gas must submit its updated procedures to the Director within **180** days after the Effective Date of this Agreement.
- b. Identify the normal range operating values for liquefaction equipment, and identify out of normal range operating values as abnormal operation conditions in the liquefaction system. Columbia Gas must submit a report of its identification of normal operating ranges and designation of out of normal operating ranges as abnormal operation conditions to the Director within **180** days after the Effective Date of this Agreement.
- c. Develop a uniform measurement methodology to determine if current operating parameters are outside of the normal range of operating values. This determination must take into account current operating parameters and include all additional instruments readings and redundant information on key design parameters for the liquefaction system. Columbia Gas must submit its methodology for approval by the Director within **180** days after the Effective Date of this Agreement.
- d. Train all controllers and operations personnel on the revised liquefaction operating procedures, abnormal operation conditions, and measurement methodology described in subparagraphs (a) – (c). Columbia Gas must complete training of all personnel within 180 days after receiving the Director’s approval of the methodology developed under subparagraph (c), and submit training records to the Director within **30** days of completing training.
- e. Evaluate all liquefaction equipment and components to determine whether the equipment and components are operating within design parameters, and repair all instruments that are determined to be not correctly operating within 180 days after the Effective Date of this Agreement. Columbia Gas must submit a report detailing the evaluation and any repair records to Director within 30 days after all repairs are made in accordance with this Corrective Measure. If Columbia Gas determines that any repairs will take longer than **180** days to complete, Columbia Gas will provide in its report to the Director justification for the delay and a schedule for completing the repair.

19. **Item 2:** The Notice proposed certain compliance order actions to address the non-compliance alleged in the Notice. Respondent did not contest the Proposed Compliance Order

and has completed the actions proposed. Specifically, Respondent revised and re-submitted the annual reports for 2021 and 2023 to reflect its production records to PHMSA and provided copies to the Director, Southwest Region on May 14, 2025.

20. **Item 4:** The Notice proposed certain compliance order actions to address the non-compliance alleged in the Notice. Respondent did not contest the Proposed Compliance Order and has completed the actions proposed. Specifically, Respondent revised its written procedure to require an annual fire water flushing and provided the revised procedure to the Director, Southwest Region on May 14, 2025.

VI. Enforcement:

21. This Agreement is subject to all enforcement authorities available to PHMSA under 49 U.S.C. § 60101, *et seq.*, and 49 CFR Part 190, including administrative civil penalties under 49 U.S.C. § 60122, of up to \$272,926 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 in accordance with the determinations made by the Director, or in accordance with decisions of the Associate Administrator if resolved pursuant to the Dispute Resolution process herein. The maximum civil penalty amounts are adjusted annually for inflation. *See* 49 CFR § 190.223. All work plans and associated schedules set forth or referenced in Section V (Compliance Order) are automatically incorporated into this Agreement and are enforceable in the same manner.

VII. Review and Approval Process:

22. With respect to any submission under Section V (Compliance Order) of this Agreement that requires the approval of the Director, the Director may: (a) approve, in whole or in part, the submission; (b) approve the submission on specified, reasonable conditions; (c) disapprove, in whole or in part, the submission; or (d) any combination of the foregoing. If the Director approves, approves in part, or approves with conditions, Respondent will take all actions as approved by the Director, subject to Respondent's right to invoke the dispute resolution procedures with respect to any conditions the Director identifies. If the Director disapproves all or any portion of the submission, the Director will provide Respondent a written notice of the deficiencies. Respondent will correct all deficiencies within the time specified by the Director and resubmit it for approval.

VIII. Dispute Resolution:

23. The Director and Respondent will informally attempt to resolve any disputes arising under this Agreement, including any decision of the Director under the terms of Sections V (Compliance Order) and VII (Review and Approval Process). If Respondent and the Director are unable to informally resolve the dispute within 15 calendar days after the dispute is first raised, in writing, to the Director, Respondent may submit a written request for a determination resolving the dispute from the Associate Administrator. Such request must be made in writing and provided to the Director, counsel for the Southwest Region, and to the Associate Administrator, no later than 10 calendar days from the 15-day deadline for informal resolution referenced in this paragraph. Along with its request, Respondent must provide the Associate

Administrator with all information Respondent believes is relevant to the dispute. Decisions of the Associate Administrator under this paragraph will constitute final agency action. The existence of a dispute and PHMSA's consideration of matters placed in dispute will not excuse, toll, or suspend any term or timeframe for completion of any work to be performed under this Agreement during the pendency of the dispute resolution process.

IX. Effective Date:

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

X. Recordkeeping and Information Disclosure:

25. Unless otherwise required in this Agreement, Respondent agrees to maintain records demonstrating compliance with all requirements of this Agreement for a period of at least five (5) years following completion of all work to be performed, unless a longer period of time is required pursuant to 49 CFR parts 190-199. For any reports, plans, or other deliverables required to be submitted to PHMSA pursuant to this Agreement, Respondent may assert a claim of business confidentiality or other protections applicable to the release of information by PHMSA, covering part or all of the information required to be submitted to PHMSA pursuant to this Agreement in accordance with 49 CFR Part 7. Respondent must mark the claim of confidentiality in writing on each page, and include a statement specifying the grounds for each claim of confidentiality. PHMSA determines release of any information submitted pursuant to this Agreement in accordance with 49 CFR Part 7, the Freedom of Information Act, 5 U.S.C. § 552, DOT and PHMSA policies, and other applicable regulations and Executive Orders.

XI. Modification:

26. 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.

XII. Termination:

27. This Agreement will remain in effect until the Compliance Order in Section V is satisfied, as determined by the Director. The Agreement shall not terminate until the Director confirms, in writing, that the Agreement is terminated in accordance with this paragraph. Nothing in this Agreement prevents Respondent from completing any of the obligations earlier than the deadlines provided for in this Agreement.

XIII. Ratification:

28. 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.

29. The Parties hereby agree to all findings, conditions, and terms of this Agreement.

[Signature Lines on Following Page]

For Columbia Gas Transmission, LLC:

Brienne Metzger-Doran, Vice President, TC Energy

Date

For PHMSA:

Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety

Date