



U.S. Department
Of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

UPS OVERNIGHT DELIVERY

December 13, 2012

Ms. Lauren Hildebrand, P.E.
Director of Public Utilities
City of Charlottesville
305 4th Street NW
Charlottesville, VA 22903

CPF 1-2012-0007

Dear Ms. Hildebrand:

Between January 24 and March 9, 2011 , a State inspector from the Virginia State Corporation Commission (VA SCC) acting as Agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your pipeline facilities in Charlottesville, VA.

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 violations are:

1. **§ 192.739 Pressure limiting and regulating stations: Inspection and testing.**
 - a) **Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is—**

The City of Charlottesville (City) failed to test each pressure regulating station and its equipment at least once each calendar year.

VA SCC staff reviewed the City’s inspection records for regulator stations and found that the following stations were not subjected to inspections and tests within code compliance. The City missed three calendar year inspections as noted in the table below.

	Inspection Date	Inspection Date	Calendar Year Missed	Number of Days Late
Rt. 29 North	12/2/2008	1/8/2010	2009	8
Rutledge	12/2/2008	1/8/2010	2009	8
McIntire Park	12/8/2009	1/5/2011	2010	5

2. §192.161 Supports and anchors.

(c) Each support or anchor on an exposed pipeline must be made of durable, noncombustible material and must be designed and installed as follows:

The City failed to install a non-combustible support on an exposed pipeline. The City failed to support or anchor an exposed pipeline with a durable, non-combustible material at 1730 Block of Allied Street in Charlottesville, VA.

VV SCC staff observed an exposed main, on a roof at the above location, supported by wooden blocks which were not fastened to the building. The VA SCC staff took photographs of the installation.

3. § 192.317 Protection from hazards.

(b) Each aboveground transmission line or main, not located offshore or in inland navigable water areas, must be protected from accidental damage by vehicular traffic or other similar causes, either by being placed at a safe distance from the traffic or by installing barricades.

The City failed to protect an above ground district regulator station from possible vehicular damage. The City failed to install the above ground district regulator station at a safe distance from traffic, and did not install any protection barricades at Market and Old Preston Ave in Charlottesville, VA.

VA SCC staff observed a regulator station 12 feet from the edge of the road in a curve at an intersection without barricades. VA SCC staff took photographs of the regulator facilities.

4. § 192.353 Customer meters and regulators: Location.

(c) Each meter installed within a building must be located in a ventilated place and not less than 3 feet (914 millimeters) from any source of ignition or any source of heat which might damage the meter.

The City failed to install an inside meter in a ventilated place, and with adequate separation from any source of ignition or heat which might damage the meter. The meter is located inside a building in the 1730 Block of Allied Street in Charlottesville, VA.

VA SCC staff observed a meter located in an unventilated place, near a wood storage area, and less than 3 feet from electrical equipment. VA SCC staff took photographs of the meter location.

5. § 192.357 Customer meters and regulators: Installation.

(a) Each meter and each regulator must be installed so as to minimize anticipated stresses upon the connecting piping and the meter.

The City failed to install a meter so as to minimize anticipated stresses upon the connecting piping and the meter. The meter is located inside a building at the 1730 block of Allied Street in Charlottesville, VA.

VA SCC staff observed a meter inside of the building without any supports to limit the possible horizontal movement of the pipe and meter. VA SCC staff took photographs of the meter installation.

6. § 192.479 Atmospheric corrosion control: General.

(a) Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

The City failed to clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, at North Wing Barracks Road and the 1730 Block of Allied Street in Charlottesville, VA.

VA SCC staff observed approximately 320 feet of inadequately coated 2 inch main, secured to a row of buildings, feeding 8 meters to various commercial customers at North Wing Barracks Road; and, a 2 inch main running up a building and across the roof at 1730 Block of Allied Street in Charlottesville, Virginia. VA SCC staff took photographs of the installations.

7. § 192.707 Line markers for mains and transmission lines.

(c) Pipelines aboveground. Line markers must be placed and maintained along each section of a main and transmission line that is located aboveground in an area accessible to the public.

The City failed to install and maintain markers along each section of a main and transmission line that is located above ground in an area accessible to the public.

The City failed to place line markers on an exposed main at North Wing Barracks Road, and also on a section of exposed main on a roof in the 1730 Block of Allied Street.

VA SCC staff observed approximately 320 feet of 2 inch main secured to a row of buildings feeding 8 meters to various commercial customers at North Wing Barracks Road and a 2 inch main running up a building and across the roof at 1730 Block of Allied Street in Charlottesville, VA. VA SCC staff took photographs of the installation.

8. § 192.805 Qualification program.

(a) Identify covered tasks;

The City failed to have and follow a written qualification program that identified a covered task for the calibration and maintenance of field transmitters related to their telemetry system.

The VA SCC staff reviewed the City’s qualification program and found no evidence of a qualification program for City employees who calibrate and maintain pressure transducers used in the City’s telemetry system.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 3, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violations and has recommended that you be preliminarily assessed a civil penalty of \$88,500 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$10,300
2	\$16,200
4	\$13,700
6	\$32,100
7	\$16,200

Proposed Compliance Order

With respect to items 2, 3, 4, 5, 6, 7 and 8, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to City of Charlottesville, VA. 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.

Please submit all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2012-0007** on each document you submit, and please whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to Byron.Coy@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

Byron Coy, P.E.
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceeding

Cc: James Hotinger, VA SCC

PROPOSED COMPLIANCE ORDER

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

1. In regard to Item Number 2 of the Notice pertaining to the City failure to install a non-combustible support on an exposed pipeline in the 1730 Block of Allied Street in Charlottesville, VA, the City must replace existing wood block supports with non-combustible supports. Upon completion of this work, the city should provide related documentation.
2. In regard to Item Number 3 of the Notice pertaining to the City's failure to protect an above ground district regulator from possible vehicular traffic, the City must either relocate the regulator facilities at Market and Old Preston Avenue in Charlottesville, VA to a safe distance from the edge of the road, or provide barricades to protect the regulator facilities. Upon completion of this work, the city should provide related documentation.
3. In regard to Item Number 4 of the Notice pertaining to the City failure to install an inside meter in a ventilated place, with adequate separation from any source of ignition or heat which might damage the meter, the City must relocate the meter to comply with the requirements of § 192.353 (a). Upon completion of this work, the city should provide related documentation.
4. In regard to Item Number 5 of the Notice pertaining to the City failure to install a meter so as to minimize anticipated stresses upon the connecting pipe and the meter at the 1730 Block of Allied Street in Charlottesville, VA, the City must provide additional meter supports to limit the possible horizontal movement of the pipe and meter. Upon completion of this work, the city should provide related documentation.
5. In regard to Item Number 6 of the Notice pertaining to the City failure to clean and coat each pipeline, or portion of each pipeline, exposed to the atmosphere at North Wing Barracks Road and the 1730 Block of Allied Street in Charlottesville, VA, the City must clean and coat the exposed piping facilities. Upon completion of this work, the city should provide related documentation.
6. In regard to Item Number 7 of the Notice pertaining to the City failure to install and maintain line markers along each section of main and transmission line that is located above ground and in an area accessible to the public near North Wing Barracks Road, and near 1730 Block of Allied Street, the City must provide the required line markers required by §192.707(c). Upon completion of this work, the city should provide related documentation.
7. In regard to Item Number 8 of the Notice pertaining to the City failure to have and follow a written qualification program that identified a covered task for the calibration and maintenance of field transmitters related to the City's telemetry system, the City must identify that covered task and incorporate the identified task in the City qualification program.

8. The City shall have up to 90 days from receipt of the Final Order to complete the items listed above in Proposed Compliance Order. All documentation demonstrating compliance with each of the items outlined in this order must be submitted to Byron E. Coy, P.E., Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration, Suite 103, Bear Tavern Road, West Trenton, NJ 08628 for review.

9. It is requested (not mandated) that City of Charlottesville, VA maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Byron E. Coy, P.E. , Director, Eastern 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.