



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**

OVERNIGHT EXPRESS DELIVERY

June 05, 2015

Brian Sheppard
Vice President, Pipeline Operations
Dominion Transmission, Inc.
445 West Main Street
Clarksburg, WV 26302-2450

CPF 1-2015-1012

Dear Mr. Sheppard:

Between August 26, 2013 to March 31, 2014, representatives of the Pipeline and Hazardous Materials Safety Administration, and the West Virginia Public Service Commission (WV PSC), pursuant to Chapter 601 of 49 United States Code inspected the Dominion Transmission, Inc. (DTI) facilities and records in the Bridgeport, Lightburn, Charleston, and Hastings operating areas of WV.

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

(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. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

DTI failed to follow its O&M procedures by failing to secure three isolation valves under three separate relief valves at regulator station XS-2138 Cross in the open position. Also note the requirements of Part 192.199(h). DTI Procedure 210-02 Pressure Regulation revised 10152012 Page 10, section VI (A) 2, states in part that "isolation valves under relief devices should be secured in the open position in a manner that prevents operation by unauthorized personnel."

During the field inspection, the WV PSC inspector visited the regulator station and noted that the isolation valves under relief devices 002, 005, and 007 were in the open position but not locked or secured in the open position in a manner that prevents operation by unauthorized personnel. The relief valves were the primary means of over protection. The regulator station was not fenced in.

The WV PSC inspectors took photographs of the three unlocked isolation valves 002, 005, and 007 at regulator station XS-2138 Cross.

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

(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. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

DTI failed to follow its O&M procedure by failing to verify the proper position of an isolation valve under a relief device at Regulator station XS 1847 (White Day).

DTI Procedure 210-02 Pressure Regulation revised 10152012 Page 10 section VI (A) 1 states that the final aspect of the inspection should include the following: “Verification for proper position for all valves . . .”

During the field inspection, the WVPSC inspector visited the regulator station and noted that an isolation valve under relief valve 003 was locked in the closed position. According to DTI, the last relief valve inspection was performed in August 2013. The isolation valve should have been in the open position. Also note the requirements of Part 192.199(h).

WV PSC inspectors took photographs of the isolation valve in the closed position under relief device 003. DTI did not offer an estimation of when the last time the isolation valve under relief device 003 was locked in the open position.

3. §192.605 Procedural manual for operations, maintenance, and emergencies.

(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. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

DTI failed to follow its O&M procedure by failing to protect an emergency valve from unauthorized operation or damage.

DTI Procedure *Section:390/Valve Inspection and Maintenance SOP:01/Transmission, Storage, and Jurisdictional Gathering Pipelines* section IV (B) 2 states “An inspection shall not be considered complete unless the valve and valve operator are readily accessible and protected from unauthorized operation and damage (i.e. lock and/or chain of valve wheels and operator systems, wrench/wheel operator removed and locked in another location, . . .

During the inspection, the WV PSC observed and photographed that emergency valve 664B, located outside of the compressor station fencing, was not protected from unauthorized operation. Neither the ESD air supply valve, nor the power gas valve was locked and the handles had not been removed and locked in another location.

DTI stated that they had no reason why the valve was not secured.

4. §192.709 Transmission lines: Record keeping.

Each operator shall maintain the following records for transmission lines for the periods specified:

(c) A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer.

DTI failed to maintain transmission line records of each patrol, survey, inspection, and test required by subparts L and M of this part. Specifically, DTI failed to maintain MAOP records for 88 regulator stations.

When asked about the MAOP records by the PHMSA/WV PSC inspection team, a DTI representative stated that DTI has not established MAOP records that are traceable, verifiable and complete to support the MAOP for the 88 regulator stations, and DTI will not be able to begin an accelerated process of verifying the MAOP on the 88 regulator stations until 2015. The DTI representative stated that DTI was aware of this MAOP records problem and started taking action to address the problem. DTI could not produce any written evidence of DTI’s awareness of their MAOP problem or of DTI actions taken.

5. §192.731 Compressor stations: Inspection and testing of relief devices.

(a) Except for rupture discs, each pressure relieving device in a compressor station must be inspected and tested in accordance with §§192.739 and 192.743, and must be operated periodically to determine that it opens at the correct set pressure.

DTI failed to inspect and test each pressure relieving device in a compressor station in accordance with §192.739(a). §192.739(a) requires that each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment be subjected to inspections and tests at intervals not exceeding 15 months, but at least once each calendar year,.

DTI failed to inspect and test thermal relief device #419 at the Racket Newberne station at least once per calendar year not exceeding 15 months. The relief device was installed 11/01/2009 and the first record of inspection and testing was 09/09/2013. The relief device was not inspected in 2010, 2011 or 2012.

When asked by the PHMSA/WV PSC inspection team if DTI could supply a copy of the last 5 years of the relief device inspection records, a DTI representative stated that the relief device was only inspected twice, once on 09/09/2013 and once on 10/07/2013.

6. §192.743 Pressure limiting and regulating stations: Capacity of relief devices

(a) Pressure relief devices at pressure limiting stations and pressure regulating stations must have sufficient capacity to protect the facilities to which they are connected. Except as provided in §192.739(b), the capacity must be consistent with the pressure limits of §192.201(a). This capacity must be determined at intervals not exceeding 15 months, but at least once each calendar year, by testing the devices in place or by review and calculations

DTI failed to ensure that the relief capacity at regulator station XS-1719 Sylvester for relief devices 007 and 008, and at Regulator station XS-1709 Twilight for relief device 007, was sufficient.

The following information was taken from relief valve inspection reports.

XS-1719 Sylvester regulator station.

| Relief valve 007 set point | relief valves were calculated at |
|----------------------------|----------------------------------|
| 2011 60 PSI | 2011 35 PSI |
| 2012 40 PSI | 2012 35 PSI |
| 2013 60 PSI | 2013 35 PSI |

| | |
|----------------------------|----------------------------------|
| Relief valve 008 set point | relief valves were calculated at |
| 2011 60 PSI | 2011 35 PSI |
| 2012 60 PSI | 2012 35 PSI |
| 2013 40 PSI | 2013 35 PSI |

XS-1709 Twilight regulator station.

| | |
|----------------------------|------------------------------------|
| Relief valve 007 set point | relief valve 007 was calculated at |
| 2011 40 PSI | 2011 30 PSI |
| 2012 60 PSI | 2012 30 PSI |
| 2013 60 PSI | 2013 30 PSI |

Relief device capacity must be calculated at the set point of the actual installed relief device. By example, if the set point is 60 psig, capacity calculations should be performed using 60 psig. DTI used the incorrect pressure in the calculation, thereby failing to meet the requirements of §192.743.

7. §192.751 Prevention of accidental ignition.

Each operator shall take steps to minimize the danger of accidental ignition of gas in any structure or area where the presence of gas constitutes a hazard of fire or explosion, including the following: When a hazardous amount of gas is being vented into open air, each potential source of ignition must be removed from the area and a fire extinguisher must be provided.

DTI failed to take steps to minimize the danger of accidental ignition of gas in any structure or area where the presence of gas constitutes a hazard of fire or explosion. Specifically, DTI failed to tighten 6 bolts on the cover of an explosion proof box which contained the electrical switch for valve number 10 at the Racket Newberne compressor station, thus negating the explosion proof feature of the box.

WV PSC inspectors observed and photographed the loose bolts on the switch box. DTI’s representative said that DTI had no idea how long the bolts were loose on the switch box for valve number 10.

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 4, 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 violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$156,700 as follows:

| <u>Item number</u> | <u>PENALTY</u> |
|--------------------|----------------|
| 1 | \$36,700 |
| 2 | \$43,200 |
| 3 | \$36,000 |
| 5 | \$36,700 |

Proposed Compliance Order

With respect to items 1, 3, 4, 6, and 7 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Dominion Transmission, Inc. (DTI). 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. All material you submit in response to this enforcement action may be 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 1-2015-1012** 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.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Cc: Mary Friend, WV PSC

Enclosures: *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 Dominion Transmission, Inc. (DTI) a Compliance Order incorporating the following remedial requirements to ensure the compliance of DTI with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to DTI's failure to follow its O&M procedures by failing to secure three isolation devices, DTI must secure those three isolation devices. This is to be accomplished within **90 days** receipt of the Final Order.
2. In regard to Item Number 3 of the Notice pertaining to DTI's failure to follow its O&M procedures by failing to protect an emergency valve from unauthorized operation, DTI must protect the emergency valve from unauthorized operation. This is to be accomplished within **90 days** receipt of the Final Order.
3. In regard to Item Number 4 of the Notice pertaining to DTI's failure to maintain MAOP records for eighty eight (88) regulator stations, DTI must resolve the MAOP issues with these 88 regulator stations, and establish/maintain a credible MAOP record for each of the regulator stations noted. DTI must prioritize the work to address the 88 regulator stations by which regulator station piping is operating closer to the piping SMYS. This is to be accomplished within **24 months** receipt of the Final Order.
4. In regard to Item Number 6 of the Notice pertaining to DTI's failure to ensure that the relief capacity of the devices noted was sufficient, DTI must perform and document calculations to establish the proper relief capacity for each relief device. This is to be accomplished within **90 days** receipt of the Final Order.
5. In regard to Item Number 7 of the Notice pertaining to DTI's failure to take steps to minimize the danger of accidental ignition, DTI must take actions to ensure that the enclosure cited equipment meets National Electrical Code (NEC) standards. This is to be accomplished within **90 days** receipt of the Final Order.
6. DTI must complete the requirements as outlined above. All documentation demonstrating compliance with each of the items outlined in this proposed compliance order must be submitted to Byron Coy, PE, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration, Suite 103, Bear Tavern Road, West Trenton, NJ for review.
7. It is requested (not mandated) that DTI maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Byron Coy, PE, 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.