



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Ave., SE
Washington, DC 20590

JAN 24 2011

Mr. Robert Steidel
Interim Director
City of Richmond
Department of Public Utilities
400 Jefferson Davis Highway
Richmond, VA 23224

Re: CPF No. 1-2010-0004

Dear Mr. Steidel:

Enclosed please find the Final Order issued in the above-referenced case. It withdraws the allegation of violation and the proposed civil penalty of \$56,200. This enforcement action is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

for: Jeffrey D. Wiese
Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Byron Coy, P.E., Director, Eastern Region, PHMSA
Jim Hotinger, Virginia State Corporation Commission
Michael Bellman, Deputy Director, Gas & Light, City of Richmond

CERTIFIED MAIL - RETURN RECEIPT REQUESTED [7005 1160 0001 0040 0054]

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

In the Matter of)
)
City of Richmond, Virginia,)
)
Respondent.)
_____)

CPF No. 1-2010-0004

FINAL ORDER

Between February 16-18, 2010, pursuant to 49 U.S.C. § 60117, a representative of the Virginia State Corporation Commission (VA SCC), as agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the municipal gas system and records of the City of Richmond (City or Respondent). The City's system includes 1,786 miles of natural gas pipelines.

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated October 14, 2010, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that the City had violated 49 C.F.R. § 192.605(a) and proposed assessing a civil penalty of \$56,200 for the alleged violation. The Notice also proposed finding that Respondent had committed another probable violation of 49 C.F.R. Part 192.605(a) and warned Respondent to take appropriate corrective action or be subject to future enforcement action.

The City responded to the Notice by letter dated November 12, 2010 (Response). Respondent contested the allegations and requested that the proposed civil penalty be eliminated. Respondent did not request an immediate hearing but reserved its right to one if PHMSA disagreed with its Response.

WITHDRAWAL OF ITEM

The Notice alleged that Respondent violated 49 C.F.R. Part 192.605(a), as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.605(a), which states in relevant part:

§ 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....

The Notice alleged that Respondent violated 49 C.F.R. § 192.605(a) by failing to follow its own operations and maintenance procedures by not repairing Grade 1 leaks immediately. The City's Procedures Manual, Volume II, Section 6, stated that "[the City] shall repair Grade 1 leaks immediately" and "re-evaluate Grade 2 leaks at intervals of 12 months until cleared."¹ During the inspection, the VA SCC inspector identified four Grade 1 leaks that company records indicated had not been repaired immediately.

In its Response, the City provided supplemental information supporting its contention that these leaks were addressed appropriately and that it did not violate § 192.605(a). Specifically, the City stated that leak #s 67843 and 562586 were Grade 2 leaks and therefore the appropriate repair interval was twelve months. The City provided evidence that leak # 67843 was repaired within nine days and leak # 562586 was repaired within two days. In regards to the other two leaks, the City provided information that the leak report for #238910 had the wrong year specified as the repair date and it was in fact a continuous repair that began the day the leak was reported and ended the next day on September 27, 2008. Finally, the City demonstrated that it shut off the gas and made a temporary repair on leak # 566945 to stop the leak on the riser the same day the leak was reported, in compliance with City procedures. It also replaced the service the next day on January 13, 2010.²

Upon review of this supplemental information, OPS agrees that the City did indeed follow its operations and maintenance procedures for repairing Grade 1 leaks. According to the City, the leak reports retrieved at the time of the inspection were not the final documents about the leak. Consequently, information on the leak reports contained some inaccuracies. The City maintains a separate electronic database that contains an accurate record of each leak.

Accordingly, after considering all of the evidence, I find that Respondent did not violate 49 C.F.R. § 192.605(a) and withdraw this item. Since Item 1 is withdrawn, the associated proposed civil penalty is also withdrawn.

¹ Pipeline Safety Violation Report, Exhibit A, Appendix 4: City of Richmond, Procedures Manual, Volume II, Section 6 (August 14, 2009).

² See Response, Attachments A-E.

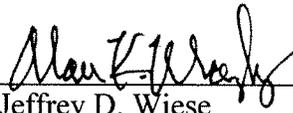
WARNING ITEM

With respect to Item 2, the Notice alleged a probable violation of § 192.605(a) but did not propose a civil penalty or compliance order for this item. Therefore, this is considered to be a warning item. The warning is for:

49 C.F.R. § 192.605(a) (**Item 2**) — Respondent’s alleged failure to follow its operations and maintenance procedures by not re-evaluating Grade 2 leaks at intervals not exceeding 12 months.

The VA SCC inspector identified twenty-six Grade 2 leaks that were not reevaluated or cleared at intervals not exceeding 12 months. The leaks were allegedly repaired or reevaluated between 11 and 286 days past the required interval of 12 months. The City of Richmond did not contest or provide additional information in response to Item 2. Accordingly, having considered such information, I find, pursuant to 49 C.F.R. § 190.205, that a probable violation of 49 C.F.R. § 192.605 (Notice Item 2) has occurred and Respondent is hereby advised to correct such condition. In the event that OPS finds a violation of this provision in a subsequent inspection, Respondent may be subject to future enforcement action.

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

for 

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

JAN 24 2011

Date Issued