



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
and
PROPOSED CIVIL PENALTY**

EXPRESS OVERNIGHT DELIVERY

October 14, 2010

Mr. Christopher L. Beschler
Director Department of Public Utilities
Deputy Chief Administrative Officer
City of Richmond
Department of Public Utilities
400 Jefferson Davis Highway
Richmond, VA 23224

CPF 1-2010-0004

Dear Mr. Beschler:

Between February 16-18, 2010, 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 Richmond, 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. §192.605(a) 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 City of Richmond, VA (City), failed to follow its own operations and maintenance procedures policy by not repairing Grade 1 leaks immediately.

City records viewed by the VA SCC inspector identified four (4) Grade 1 leaks not repaired immediately:

Leak #	Date reported	Date repaired/Re-evaluated	Days late
67843	12/24/2008	1/2/2009	9
566945	1/12/2010	1/13/2010	1
238910	9/26/2008	9/26/2009	365
562586	1/7/2009	1/9/2009	2

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

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The City of Richmond, VA (City), failed to follow its own operations and maintenance procedures policy by not re-evaluating Grade 2 leaks at intervals not exceeding 12 months until cleared.

City records viewed by the VA SCC inspector identified twenty six (26) Grade 2 leaks not re-evaluated or cleared at intervals not exceeding 12 months:

Leak #	Date reported	Date repaired/Re-evaluated	Days late
fc03618J	1/8/2008	3/27/2009	79
fc03607j	1/7/2008	4/8/2009	92
a3566r	7/8/2008	10/1/2009	85
20854c	3/12/2008	9/18/2009	190
20824c	3/7/2008	9/18/2009	195
fc03707j	1/24/2008	5/18/2009	115
20647c	1/15/2008	3/31/2009	76
fc09657	1/15/2008	3/30/2009	75
02655r	12/14/2007	9/4/2009	265
562706	1/29/2008	2/8/2009	11
237750	6/30/2008	9/21/2009	83
20832c	3/7/2008	9/22/2009	199
20892c	3/18/2008	9/18/2009	184
03305r	5/1/2008	9/28/2009	150
20454c	10/2/2007	8/4/2009	307
02367r	10/17/2007	7/29/2009	286
fco3632j	1/10/2008	4/7/2009	88
fc03621j	1/8/2008	5/11/2009	124
fc03627j	1/9/2008	4/7/2009	89
fc04460j	7/29/2008	9/28/2009	61
n67299	10/9/2007	5/19/2009	223
fc03662j	1/15/2008	4/6/2009	82
02748r	1/2/2008	3/25/2009	83
02750r	1/2/2008	4/16/2009	105
20841C	3/10/2008	9/18/2009	192
FC04388s	7/11/2008	9/21/2009	72

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations be imposed. 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 \$56,200 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$56,200

Warning Items

With respect to item 2 we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct these items. Be advised that failure to do so may result in the City being subject to additional enforcement action.

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.

In your correspondence on this matter, please refer to **CPF 1-2010-0004** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Cc: VA SCC

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*