



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**

OVERNIGHT EXPRESS MAIL

December 23, 2013

Mr. Steve Saum, Dir. Of Utilities
City of Danville, VA
1040 Monument St.
Danville, VA 24541

CPF 1-2013-0010

Dear Mr. Saum:

On May 8, 2013, an 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 the City of Danville's (City) pipeline facilities in Danville, 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 violation(s) are:

1. **§ 192.483 Remedial measures: General.**
(c) Except for cast iron or ductile iron pipe, each segment of buried or submerged pipe that is required to be repaired because of external corrosion must be cathodically protected in accordance with this subpart.

The City of Danville (City) failed to cathodically protect, in accordance with Subpart I, each segment of buried or submerged pipe that is required to be repaired because of external corrosion. Specifically, the City repaired a segment of externally corroded buried pipe and failed on one occasion to cathodically protect the pipe as required by §192.483(c) after corrosion was found.

On 11/15/2011, the City repaired a corrosion leak on a 2 inch bare steel service line with a leak clamp. On 5/23/2013, after the finding was identified during the 5/8/2013 VA SCC inspection, the City replaced the service line with plastic pipe.

2. **§ 192.727 Abandonment or deactivation of facilities.**
(d) Whenever service to a customer is discontinued, one of the following must be complied with:

- (1) The valve that is closed to prevent the flow of gas to the customer must be provided with a locking device or other means designed to prevent the opening of the valve by persons other than those authorized by the operator.**
- (2) A mechanical device or fitting that will prevent the flow of gas must be installed in the service line or in the meter assembly.**
- (3) The customer's piping must be physically disconnected from the gas supply and the open pipe ends sealed.**

The City failed on one occasion to secure a deactivated service line as required by §192.727(d)(1) through §192.727(d)(3).

Specifically, the City did not secure the deactivated service line when the City removed a meter from a service line at 321 Moffett Street on 12/12/2011. The supply valves on the inlet and outlet of the pressure regulator were shutoff, however the valves were not locked and the end of the service line was open to the atmosphere.

The City deactivated the service line at 321 Moffett Street incorrectly on 12/12/2011. The City correctly secured the deactivated service 5/8/2013, after the finding was discovered during the 5/8/13 VA SCC inspection.

The City did not have a work order on the meter removal, nor did the City know the names of the City personnel who removed the meter.

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 violations and has recommended that you be preliminarily assessed a civil penalty of \$18,700 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$18,700

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 this item. Failure to do so may result in additional enforcement action.

Response to this Notice

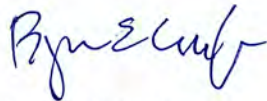
Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. All material submit in response to this enforcement action may be made publicly available. If you believe that any portion 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.

In your correspondence on this matter, please refer to **CPF 1-2013-0010**, and for each document you submit, please provide a copy in electronic format whenever possible, 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: James Hotinger, VA SCC

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