



U.S. Department of Transportation
Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Ave, S.E.
Washington, D.C. 20590

DEC 11 2015

Mr. Thomas F. Farrell II
President and Chief Executive Officer
Dominion Resources, Inc.
P. O. Box 26532
Richmond, Virginia 23261

Re: CPF No. 1-2015-1009

Dear Mr. Farrell:

Enclosed please find the Final Order issued in the above-referenced case to your subsidiary, Dominion Transmission, Inc. It makes findings of violation and assesses a civil penalty of \$27,500. It further finds that Dominion Transmission, Inc., has completed the actions specified in the Notice to comply with the pipeline safety regulations. When the civil penalty has been paid, this enforcement action will be 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: Mr. Brian Sheppard, Vice-President Operations, Dominion Transmission, Inc.,
P.O. Box 2450, Clarksburg, West Virginia 26302
Mr. Byron Coy, P.E., Director, Eastern Region, OPS

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

_____)
In the Matter of)

Dominion Transmission, Inc.,)

Respondent.)
_____)

CPF No. 1-2015-1009

FINAL ORDER

On June 19, 2013, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Dominion Transmission, Inc. (DTI or Respondent), at Dominion's Tyler Road Metering and Regulating Station (Tyler Road Station) in Clearfield, Pennsylvania. Dominion, the interstate gas transmission subsidiary of Dominion Resources, Inc., provides gas transportation and storage services that include the operation of underground natural gas storage systems throughout the United States. DTI maintains 7,800 miles of pipeline in six states — Ohio, West Virginia, Pennsylvania, New York, Maryland and Virginia, and is a producer and supplier of natural gas liquids at facilities in West Virginia and Maryland.¹

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated May 1, 2015, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Dominion had violated 49 C.F.R. § 192.709 and proposed assessing a civil penalty of \$27,500 for the alleged violation. The Notice also proposed ordering Respondent to take certain measures to correct the alleged violation.

DTI responded to the Notice by letter dated June 1, 2015 (Response). The company did not contest the allegation of violation but provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

¹ See <https://www.dom.com/corporate/what-we-do/natural-gas/dominion-transmission-inc>. Current as of September 4, 2015.

FINDING OF VIOLATION

In its Response, DTI did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.709(c), which states:

§ 192.709 Transmission lines: Record keeping.

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

(a) ...

(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.

The Notice alleged that Respondent violated 49 C.F.R. § 192.709(c) by failing to maintain a record of each patrol, survey, inspection and test required by subparts L and M of Part 192 for a period of at least five years or until the next such patrol, survey, inspection or test is completed, whichever is longer. Specifically, the Notice alleged that DTI was unable to produce documentation to show that the pressure relief valves at the Tyler Road Station were tested to document that the set points were set to relieve at the correct pressure, consistent with the pressure limits of 49 C.F.R. § 192.201(a). A test verification is required each calendar year, at intervals not to exceed 15 months, under § 192.739(a)(3). The Notice further alleged that despite multiple requests from PHMSA, DTI could not provide records to demonstrate that either the pressure relief valves or Shafer valves in DTI's piping had been tested from the start of operations in November 2010 until the date of inspection on June 19, 2013. There were no records of tests conducted in 2011 or 2012.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.709(c) by failing to maintain a record of each patrol, survey, inspection and test required by subparts L and M of Part 192 for a period of at least five years or until the next such patrol, survey, inspection or test is completed, whichever is longer.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.² In determining the amount of a civil penalty under 49 U.S.C.

² The Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, Pub. L. No. 112-90, § 2(a)(1), 125 Stat. 1904, January 3, 2012, increased the civil penalty liability for violating a pipeline safety standard to \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.

§ 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require. The Notice proposed a total civil penalty of \$27,500 for the violation cited above.

Item 1: The Notice proposed a civil penalty of \$27,500 for Respondent's violation of 49 C.F.R. § 192.709(c), for failing to produce documentation to show that the pressure relief valves at the Tyler Road Station were tested to document that the set points were set to relieve at the correct pressure, consistent with the pressure limits of § 192.201(a). DTI neither contested the allegation nor presented any evidence or argument justifying elimination or reduction of the proposed penalty. DTI missed multiple inspections cycles on valves that are critical to the safe operation of the pipeline, by helping to maintain equilibrium and protection from dangerous pressure spikes. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$27,500 for violation of 49 C.F.R. § 192.709(c).

In summary, having reviewed the record and considered the assessment criteria for the Item cited above, I assess Respondent a total civil penalty of **\$27,500**. Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 C.F.R. § 89.21(b)(3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMK-325), Federal Aviation Administration, Mike Monroney Aeronautical Center, P.O. Box 269039, Oklahoma City, Oklahoma 73125. The Financial Operations Division telephone number is (405) 954-8845.

Failure to pay the \$27,500 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49 C.F.R. § 192.709. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicates that Respondent has taken the following actions specified in the proposed compliance order:

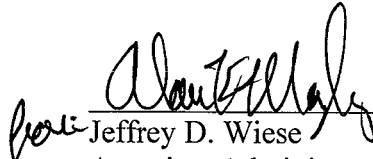
1. With respect to the violation of § 192.709(c) (**Item 1**), Respondent has acted to

transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicates that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 192.709(c) (**Item 1**), Respondent has acted to determine what kind of overpressure protection is currently in use and the set points of the device(s) used to protect DTI-operated pipelines and to obtain overpressure protection inspection records at the Tyler Road Station. DTI indicated that its gas would be shut-off until overpressure protection was installed, which was completed on March 19, 2014.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

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


Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

DEC 11 2015

Date Issued