



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

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

September 9, 2015

Mr. Steven Thompson
Senior Vice President
Eastern Shore Natural Gas Company
909 Silver Lake Boulevard
Dover, DE 19901

CPF 1-2015-1023W

Dear Mr. Thompson:

From November 17 through November 21, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Eastern Shore Natural Gas Company's (ESNG) Control Room in Dover, Delaware.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

1. §192.631 Control room management.

(j) *Compliance and deviations.* An operator must maintain for review during inspection:

(1) Records that demonstrate compliance with the requirements of this section;

Eastern Shore Natural Gas Company (ESNG) failed to maintain records of the testing of their internal communication plan once each calendar year, but at intervals not exceeding 15 months, as prescribed in §192.631(c)(3).

During the inspection, the PHMSA inspector requested records for the calendar year testing of the ESNG internal communication plan.

1. ESNG produced a record for 2014 that was performed on February 10, 2014.
2. ESNG was unable to provide a record for 2013. In a conversation on November 20, 2014, ESNG's Gas Control Manager stated that the testing of the internal

communications plan was performed in 2013 and should have been documented within their Shift Notes. He also stated ESNG does not have a record to verify the 2013 testing.

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. 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 correct the item(s) identified in this letter. Failure to do so will result in Eastern Shore Natural Gas Company being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 1-2015-1023W**. 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).

Sincerely,



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