

## WARNING LETTER

### OVERNIGHT EXPRESS DELIVERY

March 03, 2016

Mr. Jason Grey  
Director of Utilities  
City of Danville, VA  
1040 Monument Street  
Danville, VA 24540

CPF 1-2016-0003W

Dear Mr. Grey:

On January 26, 2016, 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) leakage repair records in Danville, Virginia.

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. **§192.605 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 City failed to follow its operations and maintenance (O&M) plan. The City's Natural Gas O&M Plan, Chapter 2, Section G-6, 3.7.3 Revision 2, dated 3/20/2015 states in part: "Where there is residual gas in the ground after the repair of a Grade 1 leak, a follow-up inspection shall be made as soon as practicable after allowing the soil atmosphere to vent and stabilize. The follow-up inspection should be performed within fifteen (15) days from the date of repair not to exceed thirty (30) days."

During the inspection conducted on January 26, 2016, the VA SCC inspector reviewed the City's leak repair records for 2015. The VA SCC identified five grade 1 leaks that were not rechecked within 15 days from the date of the repair.

Evidence is based on VA SCC Notice of Investigation (NOI) report to the City, and City response to the VA SCC NOI.

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 identified in this letter. Failure to do so will result in the City being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, please address your correspondence to: Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628 and please refer to **CPF 1-2016-0003W**. 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).

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, P.E.  
Director, Eastern Region  
Pipeline and Hazardous Materials Safety Administration

Cc: Mr. Massoud Tahamtani, VA SCC  
Mr. Jim Fisher, VA SCC  
Mr. Drew Eaken, VA SCC