

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY**

OVERNIGHT EXPRESS DELIVERY

October 13, 2016

Mr. Robert Steidel
Director, City of Richmond
Department of Public Utilities
730 East Broad Street
Richmond, VA 23219

CPF 1-2016-0005

Dear Mr. Steidel:

On February 3, 2016, an inspector from the Virginia State Corporation Commission (VA SCC) acting as Agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, inspected the City of Richmond's (City) pipeline facilities in Richmond, Virginia.

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 is:

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 a manual of written procedures for conducting maintenance activities. Specifically, the City failed to follow its Natural Gas Procedures Manual Volume II, Chapter 7, Section V, paragraph E, Services.

Paragraph E.2 states that "When a service line (2 inch diameter or less) is to be abandoned in place, but the main is to continue in use, the service shall be physically disconnected from the main, at the main."

During the inspection conducted on February 3, 2016, the VA SCC reviewed the City leak inspection records for 2015. The records showed that a 1 inch diameter steel gas line to 5001 Patterson Avenue had a grade 1 leak reported on 9/28/2015. According to the VA SCC, a new plastic gas service line was

installed on November 3, 2011 to replace the steel gas line. The steel line was not abandoned at the main, in accordance with City procedures, when the new plastic line was installed. The City properly abandoned the old service at the main during the leak call.

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 violation(s), and has recommended that you be preliminarily assessed a civil penalty of \$51,800 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$51,800

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 submitted 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). Not responding within 30 days of receipt of this Notice 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.

Please submit all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2016-0005** on each document you submit and please, whenever possible, provide a signed PDF copy in electronic format. Smaller files may be e-mailed 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:

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

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