



CITY OF RICHMOND
DEPARTMENT OF PUBLIC UTILITIES
GAS AND LIGHTS DIVISION
OPERATIONS CENTER

November 18, 2016

Mr. Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
820 Bear Tavern Road, Suite 103
West Trenton, New Jersey 08628

RE: Notice of Probable Violation and Proposed Civil Penalty; CPF 1-2016-0005

Dear Mr. Coy:

The City of Richmond, Virginia, (the "City") received the Pipeline and Hazardous Materials Safety Administration's ("PHMSA's") October 13, 2016, Notice of Probable Violation and Proposed Civil Penalty on October 14, 2016 ("Notice").

The City does not contest the violation alleged in the Notice, but the City proposes that, in lieu of the proposed penalty, PHMSA and the City enter into a consent order, or similar enforceable arrangement, requiring the City to expend a minimum of \$110,000 to develop and implement a Natural Gas Training Program. The City's intent would be to use the proposed Training Program to enhance significantly the City's existing Operator Qualification Program, which includes plans for opening a new training facility. The training facility has been a Richmond gas utility vision for a number of years and is in the utility's current budget. The proposed Natural Gas Training Program is not yet funded, but could be funded through the proposed consent order. The groundbreaking for the new training facility is set for the week of November 21, 2016.

As envisioned, the proposed consent order would require, among other things, the City to meet agreed-upon standards, and to provide documentation reflecting the meeting of the required standards on an agreed upon schedule. (The City contests the proposed assessment of a civil penalty/civil penalty amount in that the City believes the proposed consent order requiring the proposed training program would better serve the public interest and pipeline safety goals.)

Mr. Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
Page 2

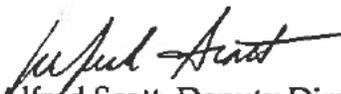
The City also requests a hearing pursuant to 49 C.F.R. Sections 190.209 & 190.211. At the hearing, the City would intend to address the proposed Training Program, including the proposed specific elements of the Training Program, the anticipated Training Program benefits, the proposed Training Program implementation schedule, and total Training Program costs. The City also would address at hearing the reasons why the proposed order would better serve the public interest and pipeline safety goals. The City would seek the opportunity at hearing to offer relevant and material evidence, to call witnesses, and to examine the evidence and witnesses presented by the Office of Pipeline Safety, including Virginia State Corporation Commission witnesses.

The City understands that PHMSA and the SCC are working diligently with the City to achieve the goal of making and keeping pipeline infrastructure safe, and the City is hopeful that PHMSA will accept our request.

The City would be represented by counsel at the hearing.

Thank you for your consideration. If you have any questions or concerns, please contact me at 804-646-8307.

Sincerely,


Alfred Scott, Deputy Director II
Gas & Lights
Department of Utilities

cc: Robert Steidel, Director, Department of Public Utilities
Carl James, Operations Manager, Gas & Lights, Department of Public Utilities
Sang Yi, Engineer III, Gas & Lights, Department of Public Utilities
David B. Kearney, Senior Assistant City Attorney
Massoud Tahamtani, Virginia State Corporation Commission
Drew Eaken, Virginia State Corporation Commission
Jim Fisher, Virginia State Corporation Commission