

September 21, 2017

Mr. Thomas F. Farrell, II
Chairman, President & CEO
Dominion Energy, Inc.
120 Tredegar Street
Richmond, VA 23219

Re: CPF No. 1-2016-5008

Dear Mr. Farrell:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and specifies actions that need to be taken by your subsidiary, Dominion Energy Transmission, Inc., to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Eastern Region, this enforcement action will be closed. Service of the Final Order by certified mail is effective upon the date of mailing as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Director, Eastern Region, Office of Pipeline Safety, PHMSA
Mr. Brian Sheppard, VP, Pipeline Operations, Dominion Energy Transmission, Inc.,
925 White Oaks Boulevard, Bridgeport, WV 26330

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

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|--|---|---------------------|
| In the Matter of |) | |
| |) | |
| Dominion Energy Transmission, Inc., |) | |
| a subsidiary of Dominion Energy, Inc., |) | CPF No. 1-2016-5008 |
| |) | |
| Respondent. |) | |
| |) | |

FINAL ORDER

From September 29, 2014, through May 31, 2016, 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 propane pipeline facilities and records of Dominion Energy Transmission, Inc. (Dominion or Respondent), from Hastings, West Virginia, to Hutchinson, Pennsylvania. Dominion operates approximately 7,300 miles of gas and hazardous liquid pipeline in six states — Ohio, West Virginia, Pennsylvania, New York, Maryland and Virginia.¹

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated September 21, 2016, a Notice of Probable Violation 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. § 195.402(a) and proposed ordering Respondent to take certain measures to correct the alleged violation.

Dominion responded to the Notice by letter dated October 21, 2016 (Response). The company did not contest the allegation of violation. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

In its Response, Dominion did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.402(a), which states:

¹ Dominion’s website, *available at* <https://www.dominionenergy.com/about-us/moving-energy/dominion-energy-transmission-inc> (last accessed June 28, 2017).

§ 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) *General.* Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

The Notice alleged that Respondent violated 49 C.F.R. § 195.402(a) by failing to prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. Specifically, the Notice alleged that Dominion failed to include in its written operations manual the requirements set forth in Sections 6.2, 6.3, 6.4 and 6.5 of API Recommended Practice (RP) 1130 for operating, maintaining, testing, record keeping, and training dispatchers on its computational pipeline monitoring (CPM) leak detection system, as required by § 195.444.²

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. § 195.402(a) by failing to have a manual of written procedures that incorporated the requirements of API RP 1130 pertaining to its CPM leak detection system.

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

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49 C.F.R. §195.402(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 195.402(a) (**Item 1**), Respondent must amend its written procedures to address the requirements of API RP 1130 within 90 days of receipt of the Final Order, and submit the amended procedures to PHMSA for review

² Section 195.444 states that each CPM leak detection system must comply with API RP 1130 in operating, maintaining, testing, record keeping, and dispatcher training of the system. See 49 C.F.R. § 195.3 (incorporating API RP 1130 by reference).

and approval by the Director. Once approved, Respondent must implement these amended procedures and submit records, as required by the amended procedures, to the Director within 270 days after the procedures have been approved.

It is requested that Dominion maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director, Eastern Region, PHMSA. It is requested that these costs be reported in two categories: (1) total cost associated with preparation/revision of plans, procedures, studies and analyses; and (2) total cost associated with replacements, additions, and other changes to pipeline infrastructure.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address, no later than 20 days after receipt of service of this Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

September 21, 2017

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued