U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.771.7800

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

July 28, 2017

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

CPF 1-2017-0003W

Dear Mr. Steidel:

On Septemper 22, 2016, an inspector from the Virginia State Corporation Commission (VA SCC), acting as an Agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected the City of Richmond's (City) records in Richmond, Virginia.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). 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 for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. Specifically, the City failed to follow its manual for conducting residential leakage surveys.

During the inspection, the VA SCC inspector reviewed the City's *Volume II Procedures Manual*, Chapter 6, Section I, *Leak Survey*, Effective date 1/13/12 (Procedure). The Procedure stated in part:

I. Policy

B. Residential Surveys (all other areas of the gas distribution system) shall be conducted with leak detector equipment as frequently as necessary but at least once every 3 years at intervals not exceeding 39 months.

The VA SCC inspector reviewed leak survey records and discovered 26 map pages that were not leak surveyed at least every 3 years at intervals not exceeding 39 months. Table 1, created by PHMSA based on the information provided, summarizes the records with time between leak survey exceeding 39 months.

Table 1: Dates of performed Leak Surveys exceeding 39 months

Map Page	Leak Survey Date	Leak Survey Date	Duration in days >39 months
403NE	Installed 2005	2013	>1462
486NE	06/01/2010	12/23/2014	478
486SE	06/01/2010	12/23/2014	478
487NE	05/13/2010	12/09/2014	483
487NW	05/13/2010	12/16/2014	490
487SE	05/04/2010	12/09/2014	492
487SW	05/10/2010	12/09/2014	486
488NE	05/05/2010	05/28/2014	296
488NW	05/05/2010	05/21/2014	289
488SE	05/04/2010	05/21/2014	290
488SW	04/08/2010	05/22/2014	318
489NE	01/21/2010	05/27/2014	401
489SE	01/26/2010	02/12/2014	292
490NE	01/26/2010	02/10/2014	290
490SE	01/28/2010	12/02/2014	583
490SW	01/28/2010	11/26/2014	577
491NE	01/28/2010	12/04/2014	585
491SE	01/19/2010	02/14/2014	301
492NE	02/01/2010	02/10/2014	285
492NW	02/03/2010	07/07/2014	430
492SE	02/01/2010	07/02/2014	427
492SW	02/01/2010	07/07/2014	432
493NE	02/03/2010	02/25/2014	298
493NW	02/02/2010	12/17/2014	594
493SE	02/02/2010	02/25/2014	299
493SW	02/01/2010	02/25/2014	300

The City responded on October 13, 2016 to VA SCC's Notice of Investigation. The City stated in part "The City did not follow the O&M procedure and failed to survey 26 residential map grids during the year 2013. The City discovered this finding in 2014 during our initial phase of our date quality assurance effort prior to uploading the data to the new compliance scheduling software…"

Therefore, the City failed to follow a manual of written procedures by not performing leak survey activities at least once every 3 years at intervals not exceeding 39 months on 26 map pages requiring Residential surveys.

As of April 27, 2017, under 49 U.S.C. §60122 and 49 CFR §190.223, you are subject to a civil penalty not to exceed $209,002 per violation per day the violation persists up to a maximum of $2,090,022 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 submit all correspondence in this matter to Robert Burrough, Acting Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. Please refer to **CPF 1-2017-0003W** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

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,

Robert Burrough
Acting Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration