U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

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

NOTICE OF PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY

OVERNIGHT EXPRESS DELIVERY

October 10, 2017

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

CPF 1-2017-0004

Dear Mr. Steidel:

On February 24, 2017, an inspector from the Virginia State Corporation Commission (VA SCC), acting as an Agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected the City of Richmond's (City) leak repair at Whitemont Drive in Henrico County, Virginia.

As a result of the inspection, it is alleged that you have committed a probably 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 a manual of written procedures for conducting operations and maintenance activities and for emergency response. Specifically, the City failed to follow coating procedures during a repair on February 24, 2017 at Whitemont Drive in Henrico County, VA.

During the inspection, the VA SCC inspector reviewed *Natural Gas Procedures Manual, Volume 1, Chapter 3 Section II, System Materials – Pipe and Coating, effective date 8/4/2014* (procedure).

The procedure stated in part: *"The coating must have sufficient adhesion to the metal surface to*

effectively resist under-film migration of moisture... Practices to be followed using these materials should be done in the manner recommended by the manufacturer of the coating and wrapping materials..."

Manufacturer setup, *Denso Petrolatum Tape System*, step 2 stated in part: *"Apply a thin layer of Denso Paste onto the pipe and/or flange surface area where the Denso Profiling Mastic and Densyl Tape will be applied."*

Manufacturer specifications, *Denso Petrolatum Products Specification Guide*, stated in part:

> *"5.0 Application of Denso Primers*
>
> *5.1 Apply specified paste/primer: Denso Paste, Denso S105, Denso Priming*
>
> *Solution, or Denso Hi-Tack Primer by hand, brush, rag or roller.*
>
> *5.2 Apply a thin uniform film over the entire surface to be wrapped.*
>
> *5.3 Apply a liberal coating to threads, cavities, shoulders, pits, etc."*

The VA SCC inspector observed repair of a gas leak on Whitemont Drive. During the repair, the City Contractor tightened a Dresser fitting on a two-inch diameter mechanically coupled steel main, and applied Denso Tape. The PHMSA agent asked the City Contractor's foreman (foreman) if any Denso Paste was applied per the manufacturer's procedure. The foreman acknowledged it was not, and that Denso Paste was not available at the jobsite at that time. The City Contractor's supervisor was called, arrived on site with Denso Paste, and the repair installation was removed.

In the City's March 20, 2017 response to the VA SCC's Notice of Investigation, it acknowledged that it had "*...failed to follow manufacturer's procedure of properly applying Denso paste prior to wrapping the pipe with Denso tape.*"

Therefore, the City failed to follow a manual of written procedures for conducting operations and maintenance activities.

Proposed Civil Penalty

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. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation and has recommended that you be preliminarily assessed a civil penalty of $41,400 as follows:

Item number	PENALTY
1	$41,400

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 submit 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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 190.211. If you do not respond within 30 days of receipt of this Notice, this 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. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from the receipt of this Notice. This period may be extended by written request for good cause.

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 1-2017-0004** 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.

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,

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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*
Cc: Mr. Massoud Tahamtani, VA SCC
Mr. Drew Eaken, VA SCC