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

March 2, 2018

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

CPF 1-2018-0001W

Dear Mr. Steidel:

On May 11, 2017, 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, VA.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violation(s) are:

1. **§ 192.723 Distribution systems: Leakage surveys.**

   (a) Each operator of a distribution system shall conduct periodic leakage surveys in accordance with this section.

   (b) The type and scope of the leakage control program must be determined by the nature of the operations and the local conditions, but it must meet the following minimum requirements:

   (1) A leakage survey with leak detector equipment must be conducted in business districts, including tests of the atmosphere in gas, electric, telephone, sewer, and water system manholes, at cracks in pavement and sidewalks, and at other locations providing an opportunity for finding gas leaks, at intervals not exceeding 15 months, but at least once each calendar year.

The City failed to conduct leakage surveys with leak detector equipment in business districts at intervals not exceeding 15 months, but at least once each calendar year.

During the inspection, VA SCC inspector reviewed Business Leak Survey 2016 data and noted eight map pages were not leak surveyed at intervals not exceeding 15 months. The City expressed that the count is inaccurate, and that more map pages were out of compliance. In the City's May 15, 2017 response to VA SCC's Notice of Investigation, the City provided the additional non-compliance maps. A total of 183 maps were out of compliance.

Therefore, the City failed to conduct leakage surveys in business districts at intervals not exceeding 15 months.

PHMSA encourages self-reporting of code violations. The City's transparency was taken into consideration during the selection of administrative enforcement actions.

2. **§ 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. Specifically, the City failed to follow its *Volume II Chapter 6 Section I, Leak Survey*, effective date 1/13/2012 (Procedure), regarding the interval between residential leakage surveys.

During the inspection, the VA SCC inspector reviewed the City's Procedure. The Procedure stated in part:

"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 leakage survey records for 2013 and 2016. The records indicated that the interval between residential leak surveys for map pages 679NE and 679SE exceeded 39 months by 24 and 25 days, respectively.

Therefore, the City failed to follow its Procedure regarding the interval between residential leakage surveys.

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. For violations occurring prior to November 2, 2015, the maximum penalty

may not exceed $200,000 per violation per day, with a maximum penalty not to exceed $2,000,000 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(s) identified in this letter. Failure to do so will result in the City of Richmond being subject to additional enforcement action.

Please 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).

No reply to this letter is required. If you choose to reply, please submit all correspondence in this matter to Robert Burrough, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. Please refer to **CPF 1-2018-0001W** 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.

Sincerely,

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