

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

November 23, 2018

Mr. Jim Eck
Vice President & General Manager
Dominion Energy Ohio
1201 East 55th Street
Cleveland, OH 44103

CPF 1-2018-0007W

Dear Mr. Eck:

From June 19 through 21, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Dominion Energy Ohio's (DEO) Gabor and Chippewa Underground Natural Gas Storage Fields in Wayne County, Ohio.

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. The items inspected and the probable violation(s) are:

1. §192.12 (d) Underground natural gas storage facilities.

(d) Each underground natural gas storage facility that uses a depleted hydrocarbon reservoir or an aquifer reservoir for gas storage, including those constructed not later than July 18, 2017 must meet the operations, maintenance, integrity demonstration and verification, monitoring, threat and hazard identification, assessment, remediation, site security, emergency response and preparedness, and recordkeeping requirements and recommendations of API RP 1171, sections 8, 9, 10, and 11 (incorporated by reference, see §192.7) by January 18, 2018.

DEO had not requested pertinent well data from the operators of 3rd party wells within the buffer zone of the Chippewa and Gabor Wertz storage fields as required by API RP 1171, Section 9.3.1. API RP 1171, Section 9.3.1, states in part "The operator shall request well integrity evaluation

data from third-party well owner/operators following the frequency established using conclusions from the risk assessment.”

During the inspection at DEO’s office, DEO demonstrated that they had a template letter for requesting pertinent well data from operators of 3rd party wells. DEO stated that the template letter had not been updated with DEO’s information, nor sent to any operators of 3rd party wells within the buffer zone of the Chippewa and Gabor Wertz fields.

2. §192.12 (d) Underground natural gas storage facilities.

(d) Each underground natural gas storage facility that uses a depleted hydrocarbon reservoir or an aquifer reservoir for gas storage, including those constructed not later than July 18, 2017 must meet the operations, maintenance, integrity demonstration and verification, monitoring, threat and hazard identification, assessment, remediation, site security, emergency response and preparedness, and recordkeeping requirements and recommendations of API RP 1171, sections 8, 9, 10, and 11 (incorporated by reference, see §192.7) by January 18, 2018.

DEO did not have records available of function tests, maintenance, repair and replacement of wellhead valves for the Chippewa and Gabor Wertz storage fields as required by API RP 1171, Section 9.3.2, and DEO’s Storage Operating Well Head Valve Maintenance Procedure.

API RP 1171, Section 9.3.2, states in part “The operator shall test the operation of the master valve and wellhead pipeline isolation valve at least annually for proper function and ability to isolate the well. The valves shall be maintained, repaired, or replaced in accordance with the operator’s valve maintenance program for isolation valves.”

During the inspection at DEO’s office, DEO stated that the system for recordkeeping of function tests, maintenance, repair and replacement of wellhead valves was in the process of being implemented.

3. §192.12 (d) Underground natural gas storage facilities.

(d) Each underground natural gas storage facility that uses a depleted hydrocarbon reservoir or an aquifer reservoir for gas storage, including those constructed not later than July 18, 2017 must meet the operations, maintenance, integrity demonstration and verification, monitoring, threat and hazard identification, assessment, remediation, site security, emergency response and preparedness, and recordkeeping requirements and recommendations of API RP 1171, sections 8, 9, 10, and 11 (incorporated by reference, see §192.7) by January 18, 2018.

DEO did not have records available of training for personnel at the Chippewa and Gabor Wertz storage fields as required by API RP 1171, Section 11.13.2.

API RP 1171, Section 11.13.2, states in part “The operator shall maintain records that demonstrate compliance with this subsection.”

During the inspection at DEO’s office, DEO stated that the system for recordkeeping of training was in the process of being implemented.

Under 49 United States Code, § 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 violation 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 items identified in this letter. Failure to do so will result in Dominion Energy Ohio being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 1-2018-0007W**. 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).

Please note, the address for the PHMSA Eastern Region, Office of Pipeline Safety, has changed:

**PHMSA, Eastern Region, Office of Pipeline Safety
840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628**

Please make a note of this new information in your records. If you have any questions, please contact us at 609-771-7800.

Sincerely,

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