U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628
609.771.7800

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

December 13, 2018

Mr. Jason Grey
Director of Utilities
City of Danville
1040 Monument Street
Danville, VA 24541

CPF 1-2018-0010W

Dear Mr. Grey:

On March 16, 2018, 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 Danville's (City) records in Danville, VA.

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. **§ 192.465 External corrosion control: Monitoring.**

   (a) Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.463. However, if tests at those intervals are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.

The City failed to test separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, on a sampling basis at least

10 percent each calendar year, with a different 10 percent checked each subsequent year so that the entire system is tested in each 10-year period, to determine whether the cathodic protection met the rquirements of § 192.463. Specifically, the City missed three cathodic protection test cycles on isolated and cathodically protected steel valve number 1017 located on a plastic main.

During the inspection, the VA SCC inspector discovered that Valve 1017 in the City's system had not been monitored for cathodic protection for the 36-year period between its installation in April of 1982 and the date of the inspection. Valve 1017 is a separately protected 6" steel gate valve on an 8" plastic main located at 307 Wendell Scott Dr. in Danville, VA.

The VA SCC issued a Notice of Investigation (NOI) to the City on March 21, 2018. In its response to the NOI on March 30, 2018, the City did not dispute the proposed violation and identified additional measures it has taken to prevent reoccurrence of the violation.

Therefore, the City failed to test pipelines to determine whether the cathodic protection meets the requirements of § 192.463.

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 Danville 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, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. Please refer to **CPF 1-2018-0010W** 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