RECEIVED DEC 26 2018

Brian C. Sheppard
Vice President – Eastern Pipeline Operations
Gas Infrastructure Group

925 White Oaks Boulevard, Bridgeport, WV 26330
DominionEnergy.com

Dominion Energy

CERTIFIED MAIL

December 17, 2018

Mr. Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628

RE: CPF 1-2018-1023W Warning Letter

Dear Mr. Burrough:

This letter is the formal response by Dominion Energy Transmission, Inc. (DETI) to the following alleged probable violations in Warning Letter CPF 1-2018-1023W, dated November 23, 2018.

1. **§ 191.23 Reporting safety-related conditions.**

   (a) Except as provided in paragraph (b) of this section, each operator shall report in accordance with §191.25 the existence of any of the following safety-related conditions involving facilities in service:

   (1)...

   (9) Any safety-related condition that could lead to an imminent hazard and causes (either directly or indirectly by remedial action of the operator), for purposes other than abandonment, a 20% or more reduction in operating pressure or shutdown of operation of a pipeline or an underground natural gas storage facility, including injection, withdrawal, monitoring, or observation well for an underground natural gas storage facility, or an LNG facility that contains or processes gas or LNG.

"Dominion failed to report in accordance with § 191.25 the existence of a safety-related condition that could lead to an imminent hazard and caused a 20% or more reduction in operating pressure or shutdown the operation of its LN24 pipeline. Specifically, Dominion identified a dent with metal loss that could lead to an immediate hazard, reduced operating pressure by 20% or more along pipeline LN24 begining [sic] June 21, 2017, and completed replacement of the section of pipeline on September 18, 2017, but failed to report the safety-related condition.

During the inspection, the PHMSA inspector reviewed a management of change record, *CAF Entry Form* dated June 21, 2017 (CAF Number: T&S 1429). The CAF Number: T&S 1429 stated in part:

"several anomalies of immediate concern (all outside of HCA) were identified during the recent ILI run on the section of LN24 ... A temporary reduction in operating pressure (20% lower than the highest operating pressure since the ILI run... 574 psig @ Stateline and 557psig @ Angelica) has been implemented until all the limiting concerns are addressed."

LN24 is a 20-inch diameter transmission pipeline with a maximum allowable operating pressure of 850 pounds per square inch gauge (psig).

Subsequently, the PHMSA inspector reviewed a final ILI report dated June 30, 2017 that identified the anomalies noted in the CAF Number: T&S 1429. The ILI report revealed an anomaly was a 1.2% dent with 32% metal loss at the 6:24 o'clock position on LN24 pipeline. The anomaly was not in a high consequence area but within 220 yards from a bulding [sic] intended for human occupancy near the corner of Stone Dam Road and Graves Road in Wellsville, New York. Dominion explained to the PHMSA inspector that it excavated and evaluated the anomaly on LN24 pipeline (referred to as "Dig 10"). According to Dominion's record *Corrosion Pipe Evaluation Report – Pipeline Number LN24 Report ID: 4597* dated September 14, 2017 (Report ID: 4597), a B31G evaluation concluded that the MAOP was too high and exceeded design pressure on LN24 pipeline at the anomaly location. In addition, Report ID: 4597 stated that Dig 10 involved major pitting in electric resistance welding seam. A record titled *Transmission Field Inspection Report Incident ID: 87997* stated that Dominion replaced the section of pipeline where the anomaly was located on September 18, 2017.

Dominion identified a dent with metal loss that could lead to an immediate hazard, reduced operating pressure by 20% or more along pipeline LN24 begining [sic] June 21, 2017, and completed replacement of the section of pipeline on September 18, 2017. Dominion did not have documentation to demonstrate that it reported the safety-related condition. Therefore, Dominion failed to report in accordance with § 191.25 the existence of a safety-related condition that could lead to an imminent hazard and cause a 20% or more reduction in operating pressure or shutdown the operation of its LN24 pipeline, as prescribed in § 191.23(a)(9)."

DETI Response:

This particular notice addresses an anomaly that was reported as a 1.2% bottom side dent (with 32% metal loss) which was located within 220 yards of a building intended for human occupancy (but was not located within an high consequence area).

The position of DETI is that this anomaly is not subject to the reporting requirements of §191.23 as an imminent hazard. From the America Society of Mechanical Engineers standard of B31.8 ("Gas Transmission and Distribution Piping Systems") this minor dent would not be classified as injurious so as to result in an imminent hazard. Additionally, implementing a 20% reduction in operating pressure on a pipeline in response to a "time dependent threat" addresses any potential risk, thus negates the presence of any imminent hazards (as this action is equivalent to a strength test of 1.25 times the operating pressure of the pipeline). It should also be noted that reducing the operating pressure (in this case by 20% of the highest pressure the pipeline experienced following an integrity assessment), was done to ensure personnel safety while conducting excavation activities on a high pressure pipeline and does not necessarily result in the filing of a Safety Related Condition. As such, DETI believes that a Safety Related Condition that could lead to an imminent hazard does not exist for this particular situation.

If you have any questions, or should require additional information, please do not hesitate to contact Jeremy Ross at (681) 842-3586.

Respectfully,

Brian C. Sheppard
Vice President, Eastern Pipeline Operations
Dominion Energy Transmission, Inc.