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

November 23, 2018

Mr. Brian Sheppard
Vice President, Eastern Pipeline Operations
Dominion Energy Transmission, Inc.
925 White Oaks Boulevard
Bridgeport, WV 26330

CPF 1-2018-1023W

Dear Mr. Sheppard:

From January 17, 2018 to June 18, 2018, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS) and an Interstate Agent from New York State Department of Public Service pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Dominion Energy Transmission, Inc.'s (Dominion) procedures and records in Bridgeport, West Virginia.

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

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 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 557 psig @ 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 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 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).

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 identified in this letter. Failure to do so will result in Dominion, 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 1-2018-1023W** 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