

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

OVERNIGHT EXPRESS DELIVERY

April 22, 2019

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

CPF 1-2019-0004

Dear Mr. Steidel:

From February 8, 2017 to October 8, 2018, inspectors from the Virginia State Corporation Commission (VA SCC), acting as an Agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected the City of Richmond's (City) facilities and 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. **§ 192.465 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 line not in excess of 100 feet (30 meters), or separately protected service line, 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, so that the entire system is tested in each 10-year period.**

The City failed to survey at least 10 percent of its separately protected structures, distributed over the entire system each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period. Specifically, the City failed to monitor for external corrosion control at two pot drips located at 5900 Derrymore Court and 7548 Prairie Road, Richmond, VA, and at two isolated steel service lines located at 1703 and 1705 Windingridge Place, Richmond, VA.

During an inspection in February of 2017, a VA SCC inspector reviewed the City's Leakage Inspection-Location Records #578766 and #580156. Leak #578766 was located on a pot drip near 5900 Derrymore Court, which was installed in 1991. Leak #580156 was located on a pot drip near 7548 Prairie Road, which was installed in 1987. The two steel pot drips were cathodically protected by anodes, and each was connected to a two-inch plastic distribution main pipeline. The pot drips were isolated short sections not in excess of 100 feet and were to be surveyed as part of the City's 10 percent monitoring program.

When requested, the City was unable to provide cathodic protection monitoring survey records of the pot drips. The VA SCC issued a Notice of Investigation (NOI) to the City on February 15, 2017. In its response to the NOI on February 28, 2017, the City acknowledged failure to monitor the two pot drips under its 10 percent monitoring program. The City's response stated in part:

The pot drip located on 7548 Prairie Road... was never keyed into the GIS database, which resulted in our failure to monitor this particular pot drip under the ten percent monitoring program.

...

Pot drip located on Derrymore Court...the City failed to monitor this particular pot drip under our ten percent monitoring program.

During an inspection in May of 2018, a VA SCC inspector observed the City of Richmond perform cathodic protection reads on its "Windingridge Road Cathodic Protection Survey #06-014." The VA SCC inspector identified two isolated steel service lines at 1703 and 1705 Windingridge Place. Both service lines were cathodically protected and had acceptable readings but, according to the City, had never been monitored as part of the City's isolated short section list. These service lines were installed in 1974.

The VA SCC issued an NOI to the City on June 11, 2018 in regard to the May 2018 inspection. In its response to the NOI on June 21, 2018, the City acknowledged failure to monitor the two steel service lines under its 10 percent monitoring program. The City's response stated in part:

During the inspection, the commission observed a City technician monitoring two steel service line at 1703 & 1705 Windingridge Place. While both were found to be cathodic protected, they were later determined to be isolated short sections (under 100' in length) and were not in City's 10 percent monitoring database.

The City is aware that the 10 percent monitoring database does not fully reflect accurate number of services in our system. The City is

working diligently everyday on improving the knowledge of our infrastructure in accordance to City's Distribution Integrity Management Program Section 5.0.

Therefore, the City failed to monitor two separately protected pot drips, installed on distribution mains, and two isolated steel service lines so that its entire system is tested in each 10-year period, as required by § 192.465(a).

This violation is a repeat of violations found in CPF # 1-2015-0008 Item # 1, and CPF # 1-2013-0003 Item # 1.

2. § 192.491 Corrosion control records.

- (a) Each operator shall maintain records or maps to show the location of cathodically protected piping, cathodic protection facilities, galvanic anodes, and neighboring structures bonded to the cathodic protection system. Records or maps showing stated number of anodes, installed in a stated manner or spacing, need not show specific distances to each buried anode.**

The City failed to maintain records or maps to show the location of cathodically protected piping. Specifically, the City failed to maintain accurate construction records or maps of its cathodically protected pot drip near 7548 Prairie Road, Richmond, VA.

During the inspection, the VA SCC inspector reviewed the City's Leakage Inspection-Location Record #580156 in comparison with the City's mapping system. Leak #580156 was located on a pot drip near 7548 Prairie Road. The steel pot drip was cathodically protected by an anode, and was connected to a two-inch plastic distribution main pipeline. The pot drip was an isolated short section not in excess of 100 feet and was to be surveyed as part of the City's 10 percent monitoring program. The pot drip location was not identified in the City's mapping system.

The City acknowledged failure to maintain accurate construction records or maps. The City's post inspection response stated in part:

The pot drip located on 7548 Prairie Road was not in our GIS database due to the inaccuracy of the 'As Built' drawings submitted by our New Construction Department.

Therefore, the City failed to maintain records or maps to show the location of its cathodically protected pot drip in the area of 7548 Prairie Road, Richmond, VA.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$213,268 per violation per day the violation persists, up to a maximum of \$2,132,679 for a related series of violations. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. 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. The Compliance Officer has reviewed the

circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$80,500 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$80,500

Proposed Compliance Order

With respect to item number 2 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to City of Richmond. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

Please submit all correspondence in this matter to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, New Jersey 08628. Please refer to **CPF 1-2019-0004** 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 USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to City of Richmond a Compliance Order incorporating the following remedial requirements to ensure the compliance of City of Richmond with the pipeline safety regulations:

1. In regard to Item Number 2 of the Notice pertaining to § 192.491, the City shall identify all cathodically protected pot drips and verify they are incorporated into the City's 10 percent monitoring program by taking the following actions:
 - a. Within 60 days of issuance of the Final Order, the City shall develop and provide to PHMSA a plan to:
 - i. identify cathodically protected pot drips in the City's mapping system.
 - ii. identify cathodically protected pot drips in the City's 'As-Built' drawings that have been revised during the previous four years of the date of issuance of this Final Order.
 - iii. identify cathodically protected pot drips on the City's leak reports during the previous four years of the date of issuance of this Final Order.
 - b. Within 180 days of issuance of the Final Order, the City shall provide PHMSA verification pot drips in the City's mapping system have been compared to 'As-Built' drawings and leak reports, and all discrepancies corrected.
2. It is requested (not mandated) that City of Richmond maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Robert Burrough, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.