

## WARNING LETTER

### OVERNIGHT EXPRESS DELIVERY

September 13, 2019

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

**CPF 1-2019-1016W**

Dear Mr. Sheppard:

From June 24th-27th, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Dominion Energy Transmission, Inc.'s (DETI) Fink-Kennedy-Lost Creek Underground Natural Gas Storage Field. The inspection was conducted at the DETI office in Bridgeport, West Virginia and the Fink-Kennedy-Lost Creek field located in Lewis County, West Virginia.

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 is:

**1. § 192.12 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.**

DETI failed to monitor for the presence of annular gas as directed by API RP 1171, Section 9.3.2 on 46% of the wells in the field.

Section 9.3.2 of API RP 1171, Well Integrity Monitoring, states:

The operator shall monitor for presence of annular gas by measuring and recording annular pressure and/or annular gas flow.

During the field inspection at Fink-Kennedy-Lost Creek UGS field, PHMSA discovered that DETI was unable to monitor for the presence of annular gas at the surface due to a lack of pressure test ports or other means of measuring annular gas flow.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. 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. 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 Dominion Energy Transmission, Inc. 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 1-2019-1016W** 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](mailto:robert.burrough@dot.gov). Larger files should be sent on USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

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