U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

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

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

September 3, 2020

Jason Grey
Interim Director of Utilities
City of Danville
1040 Monument St
Danville, VA 24540

CPF 1-2020-007-NOA

Dear Jason Grey:

From February 20, 2019 to January 17, 2020, inspectors from the Virginia State Corporation Commission, Division of Pipeline Safety (VA SCC), acting as Agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected City of Danville's (the City) plans and procedures.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within the City's plans or procedures, as described below:

1. §192.605 - Procedural manual for operations, maintenance, and emergencies.

(b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(4) Gathering of data needed for reporting incidents under Part 191 of this chapter in a timely and effective manner.

The City's manual of written procedures was inadequate in that it failed to include procedures for gathering of data needed for reporting incidents under Part 191 in a timely and effective manner. Specifically, the City's *Natural Gas Operation and Maintenance Plan, Section B-2, Incident & Safety-Related Conditions Reports, Date 1/16/2017* (Plan B-2) failed to provide sufficient detail regarding supplementary incident reports, as deemed necessary when additional relevant information is obtained after the original incident report submittal.

During the inspection, the VA SCC inspector discovered that the City's Plan B-2 did not address supplemental incident reports. The City responded to the VA SCC's December 23, 2019 Notice of Investigation on January 17, 2020 and provided a proposed update to Plan B-2. However, the proposed update had not been implemented at the time of the response.

Therefore, the City's manual of written procedures was inadequate for it failed to provide sufficient detail regarding supplementary incident reports. The City must revise and implement updated written procedures to address supplementary incident reports.

2. §192.605 - Procedural manual for operations, maintenance, and emergencies.

(b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(8) Periodically reviewing the work done by operator personnel to determine the effectiveness, and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found.

The City's manual of written procedures was inadequate in that it failed to include procedures for periodically reviewing the work done by operator personnel to determine the effectiveness, and adequacy of the procedures used in normal operation and maintenance and modifying the procedure when deficiencies are found.

During the inspection, the VA SCC inspector reviewed City's *Natural Gas Operation and Maintenance Plan, Section A-1* (Plan A-1). Plan A-1 failed to provide sufficient detail regarding a provision to periodically review the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found. The City responded to the VA SCC's December 23, 2019 Notice of Investigation on January 17, 2020 and provided a proposed update to Plan A-1. However, the proposed update had not been implemented at the time of the response.

Therefore, the City's manual of written procedures was inadequate for it failed to provide sufficient detail regarding § 192.605(b)(8). The City must revise and implement updated written procedures addressing this deficiency.

3. §192.1007 - What are the required elements of an integrity management plan?

A written integrity management plan must contain procedures for developing and implementing the following elements:

(a) *Knowledge.* An operator must demonstrate an understanding of its gas distribution system developed from reasonably available information.

(3) Identify additional information needed and provide a plan for gaining that information over time through normal activities conducted on the pipeline (for example, design, construction, operations or maintenance activities).

The City's written integrity management plan was inadequate for it failed to contain procedures for developing and implementing knowledge by identifying additional information needed and providing a plan for gaining that information over time through normal activities conducted on the pipeline (for example, design, construction, operations or maintenance activities).

Specifically, the City's *Distribution Integrity Management Plan, effective 2018-12-01,* (DIMP) did not contain provisions for gaining unknown system information over time through normal activities.

Therefore, the City's written integrity management plan was inadequate for it failed to provide sufficient detail regarding § 192.1007(a)(3). The City must revise and implement its updated DIMP to include provisions for gaining unknown system information over time through normal activities.

4. §192.1007 - What are the required elements of an integrity management plan?

> **A written integrity management plan must contain procedures for developing and implementing the following elements:**
>
> **(e) Measure performance, monitor results, and evaluate effectiveness.**
>
> **(1) Develop and monitor performance measures from an established baseline to evaluate the effectiveness of its IM program. An operator must consider the results of its performance monitoring in periodically re-evaluating the threats and risks. These performance measures must include the following:**

The City's written integrity management plan was inadequate for it failed to contain procedures for developing and implementing performance measures from an established baseline to evaluate the effectiveness of its integrity management program. Specifically, the City's *Distribution Integrity Management Plan, effective 2018-12-01,* (DIMP) failed to establish a baseline for its selected performance measures.

Therefore, the City's written integrity management plan was inadequate for it failed to provide sufficient detail regarding establishing a baseline to evaluate the effectiveness as per § 192.1007(e)(1). The City must revise and implement its DIMP to include a baseline for its selected performance measures.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that City of Danville maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. Please refer to **CPF 1-2020-007-NOA** 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 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, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

CC: Scott Marshall, VA SCC (via email)

Enclosure: *Response Options for Pipeline Operators in Enforcement Proceedings*