U.S. Department
of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road. Suite 306
West Trenton, N.J. 08628

NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 26, 2009

Mr. Jeff Barger
Vice President, Operations
Dominion Transmission, Inc.
445 West Main Street
Clarksburg, WV 26301

CPF 1-2009-1006

Dear Mr. Barger:

From July to November 2008, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), the New York Public Service Commission, and the West Virginia Public Service Commission pursuant to Chapter 601 of 49 United States Code inspected your records and pipeline facilities in the states of West Virginia and Pennsylvania.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. **§ 192.481 Atmospheric corrosion control: Monitoring**

(a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:	**Then the frequency of inspection is:**
Onshore	**At least once every 3 calendar years, but with intervals not exceeding 39 months**
Offshore	**At least once each calendar year, but with intervals not exceeding 15 months**

Under § 192.481, DTI is required to inspect each portion of pipeline that is exposed to the atmosphere at least once every three calendar years for onshore pipe for evidence of atmospheric corrosion. DTI must perform these inspections at intervals not exceeding 39 months. However, DTI failed to inspect the run #1 back-up fuel gas regulator station near valve FGV-25 at the Oakford Compressor Station. The piping had surface rust and pits measuring up to 80 mils in depth on a 5"x 8" area on top of the run. Also, atmospheric corrosion was found on the dehydrator dry gas header outlet with pits measuring approximately 110 mils in depth at the ground to air transition. Although DTI performed an atmospheric corrosion inspection in 2007, it failed to identify these areas of atmospheric corrosion.

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

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(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.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.
(2) Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part.

DTI failed to follow its corrosion control maintenance requirements requiring drips to be blown at least annually. DTI's Standard Operating Procedures (SOP) Section 070/Corrosion Control, SOP 15/Internal Corrosion states that all drips should be blown at least once each calendar year. Maintenance records of the drips in the Oakford Fifth Sands and Murrysville Storage Pools show that a total of 103 and 330 drips, respectively, from 2003 to 2007 were not blown annually to remove fluids which can be corrosive to steel pipelines. Additionally, DTI has documented 69 drips which have not been blown because they cannot be accessed, cannot be blown and/or are not piped up. These 69 additional drips are in a DTI schedule to be corrected within 9 years.

3. § 192.709 Transmission lines: Record keeping.

Each operator shall maintain the following records for transmission lines for the periods specified:

c) A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer.

DTI failed to provide records for the required last 5 years (2003-2007) to demonstrate that annual capacity calculations were performed for pressure relieving devices at five compressor stations (Harrison, Ellisburg, Stateline, Oakford and JB Tonkin) as required by §192.731 and §192.743. DTI failed to provide to the PHMSA inspection team, during headquarter and field inspections, compressor stations records showing the capacity review and calculations for their relief devices. Although DTI reviews the initial capacity calculations as permitted by §192.743(b) in order to meet the annual capacity determination requirements for relief devices, DTI is still required to demonstrate that the parameters have not changed to avoid subsequent calculations. DTI could not provide records to demonstrate this required review of the parameters was performed.

4. § 192.739 Pressure limiting and regulating stations: Inspection and testing.

(a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is—

(1) In good mechanical condition;

(2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;

(3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of §192.201(a); and

(4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.

During PHMSA's field inspection, DTI technicians stated that some relief devices had not been inspected and no records of inspection were in the DTI's database. The following relief valves were not inspected at the required intervals for the period of 2003-2007:

1. Ellisburg Compressor Station fuel gas bottle inlet 1st cut regulator (Location ID CSN6361) has a regulator but the overpressure protection was not listed as inspected
2. Ellisburg Compressor Station relief valve (2" Axelson serial number 632280)
3. Stateline Compressor Station fuel gas bypass relief valve

5. §192.743 Pressure limiting and regulator stations: Capacity of relief devices.

(a) Pressure relief devices at pressure limiting stations and pressure regulating stations must have sufficient capacity to protect the facilities to which they are connected. Except as provided in §192.739(b), the capacity must be consistent with the pressure limits of §192.201(a). This capacity must be determined at intervals not exceeding 15 months, but at least once each calendar year, by testing the devices in place or by review and calculations

(b) If review and calculations are used to determine if a device has sufficient capacity, the calculated capacity must be compared with the rated or experimentally determined relieving capacity of the device for the conditions under which it operates. After the initial calculations, subsequent calculations need not be made if the annual review documents that parameters have not changed to cause the rated or experimentally determined relieving capacity to be insufficient.

DTI failed to conduct adequate annual reviews of pressure relieving devices to determine sufficient capacity at the five pressure limiting station devices noted below. DTI only physically checked the relief devices for pressure set point and operation. DTI did not determine adequate relief capacity. DTI had no documentation showing capacity calculations for the relief devices including comparison to rated relief design at their facilities needed for the required annual relief capacity determination.

1) Stateline Compressor Station location, feed line #16 with 1st and 2nd regulator stations with 2" Welmark relief valve

2) Stateline Compressor Station location Line #24 supplied by 10" dual port regulator with overpressure protection provided by 8"relief valve having a 6" inlet pipe
3) Oakford Region, Gas sales to Peoples Gas having a 6"x 8" Axelson relief valve
4) Oakford Region, Springdale meter and regulator station with relief valve overpressure protection
5) Mockingbird Hill Station #426 regulator and relief assembly

6. § 192.225 Welding procedures.

(a) Welding must be performed by a qualified welder in accordance with welding procedures qualified under section 5 of API 1104 (incorporated by reference, *see* §192.7) or section IX of the ASME Boiler and Pressure Vessel Code " Welding and Brazing Qualifications" (incorporated by reference, *see* §192.7) to produce welds meeting the requirements of this subpart. The quality of the test welds used to qualify welding procedures shall be determined by destructive testing in accordance with the applicable welding standard(s).

(b) Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.

During the field inspection of the Cove Point MD expansion project, DTI representatives indicated that there were no welding repair procedures on site in accordance with welding procedures qualified by §192.225; and, that welding repairs had been made to the DTI project facilities without having qualified procedures.

7. § 192.179 Transmission line valves.

(c) Each section of a transmission line, other than offshore segments, between main line valves must have a blowdown valve with enough capacity to allow the transmission line to be blown down as rapidly as practicable. Each blowdown discharge must be located so the gas can be blown to the atmosphere without hazard and, if the transmission line is adjacent to an overhead electric line, so that the gas is directed away from the electrical conductors.

DTI did not determine if the new 36" transmission line being installed for the Cove Point, MD expansion project could be blown down as rapidly as practicable as required by §192.179(c). DTI indicated that the Cove Point, MD expansion project blow-down design was made to match the blow-down design of the existing Cove Point parallel 30" transmission line. DTI did not take into consideration the larger size (36") of the new main, and just assumed the existing 30" transmission line blow-down capacity would be sufficient.

8. § 192.163 Compressor stations: Design and construction.

(e) Electrical facilities. Electrical equipment and wiring installed in compressor stations must conform to the National Electrical Code, ANSI/NFPA 70, so far as that code is applicable.

DTI did not conform to the National Electrical Code requirements. At the time of the inspection, DTI transformers adjacent to main compressor building at Lightburn Station did not appear to be tied into a continuous grounding circuit in explosion-proof boxes, in accordance with NFPA 70 (2005) National Electrical Code, Article 250, for the following equipment:

(1) #5 engine pre-lube pump starter

(2) #4 engine pre-lube pump starter

(3) #3 engine pre-lube pump starter.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed $100,000 for each violation for each day the violation persists up to a maximum of $1,000,000 for any related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violations and has recommended that you be preliminarily assessed a civil penalty of $195,100 as follows:

Item number	PENALTY
Item 1	$30,500
Item 2	$80,500
Item 3	$16,800
Item 4	$36,800
Item 5	$30,500

Warning Items

With respect to Items 6, 7 and 8, 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 promptly correct these items. Be advised that failure to do so may result in Dominion Transmission, Inc. being subjected to additional enforcement action.

Proposed Compliance Order

With respect to Item 2 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Dominion Transmission, Inc. 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. 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). 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.

In your correspondence on this matter, please refer to **CPF 1-2009-1006** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Byron E. Coy

Byron E. Coy, P.E.
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 Dominion Transmission, Inc.(DTI) a Compliance Order incorporating the following remedial requirements to ensure the compliance of DTI with the pipeline safety regulations:

1. In regard to Item Number 2 of the Notice, DTI must provide documentation that substantiates that all the drips in the Oakford Fifth Sands and Murrysville Storage Pools that can currently be blown down have been blown down within 180 days of date of final order.

2. In reference to Item Number 2, the 69 documented drips which have not been blown per DTI standard operating procedures (SOP), DTI must develop and execute a plan to find, make accessible, and modify as needed for drip blowing operations, those 69 identified drips within 365 days of date of final order.

3. DTI shall submit the results of the Proposed Compliance Order items above to the Director, Eastern Region, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration,

4. DTI shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. Costs shall 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.