



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

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS MAIL

December 23, 2013

Mr. Steve Saum, Dir. Of Utilities
City of Danville, VA
1040 Monument St.
Danville, VA 24541

CPF 1-2013-0008M

Dear Mr. Saum:

On March 19 through 22, 2012, an inspector from the Virginia State Corporation Commission (VA SCC) acting as Agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code, inspected the City of Danville's (City) operations and maintenance procedures in Danville, VA.

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

1. §192.617 Investigation of failures.

Each operator shall establish procedures for analyzing accidents and failures, including the selection of samples of the failed facility or equipment for laboratory examination, where appropriate, for the purpose of determining the causes of the failure and minimizing the possibility of a recurrence.

The City of Danville's (City) procedures for analyzing accidents and failures for the purpose of determining the causes of the failure and minimizing the possibility of a recurrence were inadequate. The City of Danville, Virginia – Natural Gas Operations and Maintenance Plan, Chapter II, Pat G-11, Sections 3.5 and 3.6 state that:

- a) "Documentation of these failures is necessary to establish trends and help prevent future failures. Examples of items to document include":
 - 1) Inoperable valves that cannot be corrected with normal maintenance
 - 2) Relief or regulator failures
 - 3) Meter failures and malfunctions
 - 4) Cracks, leaks or other failures of any flanges, fittings, or other components

- b) "Detailed investigation of other failures should also be conducted based on the extent applicable..."and

The procedure does not provide sufficient detail for the type of documentation that is required for each type of failure. It does not define what the term "extent applicable" means and how it is used to trigger a detailed investigation. Also, the procedure does not provide direction for determining the root cause of the failure.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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.

If, after opportunity for a hearing, 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. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within **60** 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).

In your correspondence on this matter, please refer to **CPF 1-2013-0008M** and for each document you submit, please provide a copy in electronic format whenever possible, and please whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to Byron.Coy@dot.gov. Larger files should be sent on a CD 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,



Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

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