



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 PROBABLE VIOLATION
AND
PROPOSED COMPLIANCE ORDER**

VIA ELECTRONIC MAIL TO: greyjc@danvilleva.gov

March 16, 2026

Jason Grey
Director of Utilities
City of Danville
1040 Monument Street
Danville, Virginia 24540

CPF 1-2026-019-NOPV

Dear Mr. Grey:

Between August 27, 2024 and June 16, 2025, an inspector from the Virginia State Corporation Commission, Division of Pipeline Safety (VA SCC), acting as an agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected the City of Richmond's (City) pipeline facilities in Richmond, 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 item inspected and the probable violation is:

1. § 192.805 Qualification program.

Each operator shall have and follow a written qualification program.

The program shall include provisions to:

(a) . . .

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

The City failed to ensure through evaluation that individuals performing covered tasks are qualified in accordance with section 192.805(b). Specifically, the City failed on 117 occasions to evaluate personnel who perform covered tasks in accordance with section 4.2 in its *Natural Gas Operator Qualification Plan, Rev. 4 (5/20/2024) (OQ Plan)*.

During the inspection, the VA SCC inspector reviewed qualification records (OQ Records). Section 4.2 of the City's OQ Plan addresses qualification of individuals performing covered tasks. The OQ Plan stated in part that "[e]valuations may consist of written, oral, hands-on, simulation, or any combination of these techniques. Personnel who successfully complete the required evaluation procedure for a Covered Task (see Appendix D) will be considered qualified to perform that Covered Task."

The City relies on written tests and performance evaluations documented on checklists as evaluation methods. The City failed to provide OQ Records that indicated one of the required evaluation methods was used during evaluation or re-evaluation on 117 occasions.

Therefore, the City failed to ensure through evaluation that individuals performing covered tasks are qualified in accordance with section 192.805(b).

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$272,926 per violation per day the violation persists, up to a maximum of \$2,729,245 for a related series of violations. For violation occurring on or after December 28, 2023 and before December 30, 2024, the maximum penalty may not exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to propose a civil penalty assessment at this time.

Proposed Compliance Order

With respect to Item 1, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to the City of Danville. 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 Enforcement 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 your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 1-2026-019-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

ROBERT THOMAS
BURROUGH

Digitally signed by ROBERT
THOMAS BURROUGH
Date: 2026.03.14 15:21:07 -04'00'

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

cc: Krysta Simpson, Water and Gas Compliance Coordinator, simpsok@danvilleva.gov
Scott Jarrett, Water and Gas Chief Engineer, jarrejs@danvilleva.gov

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement 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 Danville (“City”) a Compliance Order incorporating the following remedial requirements to ensure the compliance of the City with the pipeline safety regulations:

- A. In regard to Item 1 of the Notice pertaining to the City’s failure to ensure through evaluation that individuals performing covered tasks are qualified, the City must revise its OQ Plan evaluation process. The City must provide a written plan (Compliance Plan) detailing added measures to ensure that City and contractor personnel performing covered tasks are subject to all required evaluations during re-qualification. These measures shall include, but are not limited to, additional personnel resources, procedural changes, and quality control measures. The Compliance Plan will be subject to the Director’s review and approval. The City must develop the Compliance Plan and submit it to the Director, Eastern Region, within 90 days of receipt of the Final Order. The City must implement the Compliance Plan within 180 days of the Director’s approval.
- B. It is requested (not mandated) that the City 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.