RICHMOND GAS WORKS
Gas Regulatory Compliance
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May 15,2026

Mr. Robert Burrough
Director
PHMSA Pipeline Safety Eastern Region Office
US Department of Transportation
840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628
Robert.Burrough@dot.gov

Sent via email

RE: CPF 1-2026-035-NOPV

Dear Mr. Burrough,

In response to the Notice of Probable Violation and Proposed Civil Penalty referenced above ("the Notice"), Richmond Gas Works ("the City") is not contesting any of the allegations but is providing additional information and materials the City believes warrant elimination of the proposed civil penalty for Item 1 of the Notice. Specifically, the City is providing an explanation of the circumstances underlying a portion of the 465 locate requests noted in Item 1, actions the City has taken since the underlying Virginia State Corporation Commission (SCC) inspection on March 25 – April 1, 2024 to invest in its damage prevention program, and other information that would warrant a reduction. Based on these materials, the City is requesting that the proposed civil penalty be eliminated or reduced.

The circumstances underlying a portion of the 465 locate requests

The City does not contest the allegation that, on 465 occasions between January 1, 2021, and March 14, 2024, the City failed to respond to a Virginia 811 locate request within the timeframe required by the Virginia Underground Utility Damage Prevention Act (Va. Code § 56-265.14 et seq.) ("DPA") and its Operations and Maintenance Manual (O&M). This resulted in 465 "999 – No Response" codes, or "no-shows", each of which is a failure to carry out the City's damage prevention program required by 49 CFR 192.614(a).

However, the City has identified an anomaly in the 999 codes that warrants further explanation. The SCC inspection revealed a dramatic increase in 999 codes in Chesterfield County of 123 in 2023, up from 5 in 2022. The City and its contract locator, Benchmark, investigated these 999 codes and discovered that this spike in Chesterfield, and therefore the spike in 999 codes in 2023 overall, was caused by an error made within Benchmark's ticket management system, Polaris. This error inadvertently caused tickets from Chesterfield County to not route to Benchmark even though they had been routed from VA811 to Polaris.

The error began on March 9, 2023, and was not resolved until March 17, 2023. All 118 locate requests in Chesterfield County between the dates of March 9 and March 16 were affected. Of those tickets, 108 of them were responded to by 7:00 am on March 22, which would have been the due date had the locate requests been submitted on March 17, the day the issue was resolved. Excluding those 108 locate requests, the total number of no-shows for 2023 is 144, with 24 of these in Chesterfield County, which is 0.14% of total tickets. While these numbers are elevated, they are more in line with historical data, which is discussed in more detail below.

The data from Benchmark's ticket management system for locate requests in Chesterfield County submitted between March 9 and March 16, 2023, is enclosed.

Actions the City has taken since April 1, 2024 to invest in its damage prevention program

The City has made significant investments in its damage prevention program since the SCC inspection in March of 2024. Specifically, the City made a one-time investment of $7,500 in enhancements for its own ticket management software, Polaris. The enhancements include, among other capabilities, an enhanced ability to audit Benchmark. The Statement of Work agreed to by Polaris and invoices for one-time costs are enclosed.

Furthermore, at the beginning of 2024 while the initial investigation was ongoing, the City was preemptively building a dedicated damage prevention group. At the time of the investigation, the City had recently created and hired for a new position, Program and Operations Supervisor for Damage Prevention. In February and March of 2024, the City additionally hired two Code Enforcement Inspectors to carry out the work of the damage prevention program. The midpoint salary for Program and Operations Supervisor is $100,424, and the midpoint salary for each Inspector is $75,568. Therefore, the total investment in new damage prevention technology and personnel since February of 2024 is $259,060 along with anticipated ongoing salary investments of $251,560 annually. Job descriptions for each member of the damage prevention group and publicly available salary information is enclosed.

The results of these investments are verifiable in the City's data. In 2024 and 2025, after the inspection concluded and while the investments were being made, the total number of 999 codes was 102 (0.08% of total locate requests) and 129 (0.10% of total locate requests) respectively. This stands in stark contrast to the spike in 999 codes in 2023 (0.24% of total locate requests, 0.14% if the 108 locate requests discussed above are removed), [WN1.1]and demonstrates that the City has addressed the issues in Item 1 of the Notice by bringing the percentage of no-shows per locate request back in line with the low-end of historical levels of 0.08% in 2021 and 0.12% in 2022.

These investments have also reduced the City's excavation-related damages per 1,000 locate requests. Compared to calendar years 2022/2023, where that metric was 1.31, the number of damages is down, on average, to 1.23 in 2024. Additionally, the number of excavation damages per 1,000 locate requests in 2024 and 2025 were below the national average of 2.43. These trends demonstrate that the City's investment in its own ticket management software has led to increased performance from its contractor by reducing the number of no-shows, and its investment in staff has produced fewer excavation-related damages per 1,000 locate requests in the City's service area.

Documentation showing the total 999 codes, excavation damages per 1,000 locate requests, including total Gas ticket volume for the years 2021-2025 is enclosed.

Other information

Lastly, unlike many other utilities in the eastern region, the City is a municipally-owned utility that does not operate with a profit margin built into its rates. Therefore, because there is no profit margin, the cost of any additional penalties on top of investments the City has already made would necessarily reduce those same investments in damage prevention and other similarly critical projects, leading to less progress on those projects. Therefore, the City requests that its operational structure be considered when calculating any final civil penalty.

Conclusion

In light of the materials and information provided above, specifically the City's one time and ongoing investments in its damage prevention program currently totaling $259,060 the City requests that the proposed civil penalty of $72,200 be eliminated and a final order to that effect be issued.

Please let me know if you need additional documentation or information as these proceedings continue.

Sincerely,

D.W. Rifenburgh

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Enclosures

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