



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 PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY**

OVERNIGHT EXPRESS MAIL

May 9, 2011

Mr. Christopher L. Beschler
Director, Department of Public Utilities
Deputy Chief Administrative Officer,
City of Richmond
Department of Public Utilities
400 Jefferson Davis Highway
Richmond, VA 23224

CPF 1-2011-0001

Dear Mr. Beschler:

Between February 24, 2009, and September 14, 2010, 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 Richmond's (City) pipeline facilities in Richmond, VA.

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. **§ 192.707(d)(2) Line markers for mains and transmission lines.**
 - (d) **Marker warning.** The following must be written legibly on a background of sharply contrasting color on each line marker:
 - (2) The name of the operator and telephone number (including area code) where the operator can be reached at all times.

The City failed to have two (2) line markers with the correct telephone number where the City can be reached at all times.

During the inspection, the VA SCC inspector dialed the telephone number that was displayed on two (2) line markers; the telephone call was never answered. The VA SCC inspector took photographs of the two (2) line markers that were located at 2109 Mandalay Drive on September 14, 2010.

Later, VA SCC inspector discovered that the telephone number displayed on the line markers was not a telephone number but a fax number. The City has since taken corrective action on those two (2) line markers.

2. §192.725(b) Test requirements for reinstating service lines

(a) Except as provided in paragraph (b) of this section, each disconnected service line must be tested in the same manner as a new service line, before being reinstated.

(b) Each service line temporarily disconnected from the main must be tested from the point of disconnection to the service line valve in the same manner as a new service line, before reconnecting. However, if provisions are made to maintain continuous service, such as by installation of a bypass, any part of the original service line used to maintain continuous service need not be tested.

The City failed to test the service line at 5210 Sylvan Court, which was temporarily disconnected from the main, from the point of disconnection to the service line valve, in the same manner as a new service line, before reconnecting.

During the inspection, the VA SCC inspector reviewed the City's leak records. The leak record # FC03617 (5210 Sylvan Court) showed that the City's contractor, Henkels & McCoy, replaced a service line riser and then failed to perform a pressure test.

On April 23, 2009, the City revisited 5210 Sylvan Court in which the service line was disconnected at the main and then air tested, pursuant to its procedure.

3. §192.465(a) External corrosion control: Monitoring

(a) Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.463. However, if tests at those intervals are impractical for separately protected short sections of mains or transmission line, not in excess of 100 feet (30 meters), or separately protected service line, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.

The City failed to monitor separately protected short sections of main pursuant to §192.465(a). During the inspection, the VA SCC inspector reviewed the City's leak record. The leak record showed that there were leaks on steel drips. The City indicated that the steel drips were installed throughout the plastic gas system; which meant the steel drip were separately protected isolated sections of the pipeline. The City said the steel drips in the pipeline were not recognized as part of the 10% sampling requirement since their installation in 1993, and they did not perform any survey on the identified 2,406 steel drips.

In 2009, the City monitored the steel drips for adequate cathodic protection as prescribed in §192.465(a). As a result, the City discovered 206 of the 2,406 steel drips with low potential readings which have been scheduled for further protection or removal.

4. §192.355 (b)(2) Customer meters and regulators: Protection from damage

(b) Service regulator vents and relief vents. Service regulator vents and relief vents must terminate outdoors, and the outdoor terminal must:

(2) Be located at a place where gas from the vent can escape freely into the atmosphere and away from any opening into the building; and,

The City failed to install a service regulator in a location where gas from the vent can escape freely into the atmosphere and away from any opening into the building.

At the time of the inspection, the VA SCC inspector noticed that a meter and regulator at 507 Montvale Avenue had been installed directly underneath a house window which did not ensure that the gas from the vent would escape away from an open window. The VA SCC inspector made the City aware of the meter and regulator location. As a result, the City installed additional piping to vent the regulator away from the window, and accordingly revised its Operations and Maintenance procedures to address this regulation requirement.

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 \$59,000 as follows:

<u>Item number</u>	<u>PENALTY</u>
3	\$59,000

Warning Items

With respect to items 1, 2, and 4, 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 The City of Richmond, VA being subject to additional enforcement action.

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 1-2011-0001** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in blue ink, appearing to read "Byron Coy", with a large checkmark-like flourish at the end.

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

Cc: VA SCC

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