



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**

UPS OVERNIGHT DELIVERY

March 4, 2013

Jeffrey Barger, VP Pipeline Operations
Dominion Transmission, Inc.
445 West Main Street
Clarksburg, WV 26301

CPF 1-2013-3001

Dear Mr. Barger:

On October 4, 2012, a representative from Pipeline Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, inspected Cove Point LNG, Limited Partnership (Cove Point), a subsidiary of Dominion Resources, Inc., annual report submissions for its Liquefied Natural Gas (LNG) facility, known as Dominion Cove Point LNG, located on the Chesapeake Bay in Lusby, Maryland.

As a result of this inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

**1. §191.17 Transmission systems; gathering systems; and liquefied natural gas facilities:
Annual report.**

(a) . . .

(b) LNG. Each operator of a liquefied natural gas facility must submit an annual report for that system on DOT Form PHMSA 7100.3-1 This report must be submitted each year, not later than March 15, for the preceding calendar year, except that for the 2010 reporting year the report must be submitted by June 15, 2011.

Cove Point failed to submit DOT Form PHMSA 7100.3-1 (Annual Report) for the Dominion Cove Point LNG facility that is located in Maryland, in a timely manner. Cove Point did not submit this report by March 15, 2012 for the 2011 reporting year and by June 15, 2011 for the 2010 reporting year, as prescribed in §191.17(b).

On October 4, 2012, an OPS inspector emailed the Manager of LNG Operations at Dominion Cove Point LNG facility, inquiring about the status of the Annual Report submissions. On November 2, 2012, the

OPS inspector received an email from the Manager of LNG Operations confirming the Annual Reports were submitted on November 1, 2012.¹

Therefore, Cove Point failed to submit its Annual Reports for the Dominion Cove Point LNG facility by the required due dates.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. Also, for LNG facilities, an additional penalty of not more than \$50,000 for each violation may be imposed. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation and has recommended that you be preliminarily assessed a civil penalty of \$15,000 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$15,000

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. All material 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). 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.

Please submit all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2013-3001** on each document you submit, 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.

Sincerely,

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

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

¹ Cove Point official submission of its initial Annual Report for reporting years 2010 and 2011 were both dated 11/1/2012.