LETTER OF CONCERN

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 20, 1999

Mr. Chris Girrens
Vice President & General Manager
Dixie Pipeline Company
1117 Perimeter Center West, Suite 301 W.
Atlanta, Georgia 30338

CPF No: 29506C

Dear Mr. Girrens:

From May 25, 1999 through July 8, 1999, representatives of the Southern Region, Office of Pipeline Safety, conducted an onsite pipeline safety inspection of your pipeline records in Atlanta, Georgia, and pipeline facilities from Mississippi to North Carolina. The review disclosed some areas that are cause for concern. We hope you find these areas worthy of your attention.

Please consider the following:

1). The local emergency manual for two pump stations was out of date. One manual had not been updated since 1994, the other was last up dated in 1997. Some form of document control should be installed to insure that all emergency manuals are reviewed each year not to exceed 15 months

2). The charts used to record the pressure at each station are not consistent, some use red ink to show outlet pressure others use green ink. To avoid possible mistakes, all stations should use the same color coding. The Norwood station has spiked the chart (1600psig?) often, however there is no label on the chart to tell what is being recorded.

3). Instant off potential at the Norwood pump station was -735 mv, and at Shiloh, -700 mv. Such voltages do not meet the standards that are called for by the company's O&M manual.

4). Cathodic protection on line valves at M.P: 705.40, 708.51, 811.44, 920.40, and 956.83, was more positive than -850 millivolts, which does not meet the requirements of the company's O&M.

5). The Eatonton station emergency shut down (ESD) switch, by the main gate, is mounted in such a way that a 10 year old child with a stick could shut down the station " just to see what would happen". The switch should be turned or shielded so that a stick could not be used to

shut the station down.

6). The Trenton station has no ESD switch near the main gate. The code does not require such a switch but all other stations visited had one, and prudence would suggest one at this station too.

7). Milner cavern dehydrator flange bolts are so rusted that some bolts have lost their threads. In addition some of the pipe supports are also very rusted. Remedial action is warranted.

8). Pipe supports at a number of stations have *caused* corrosion. The contacting metallic support and pipe form a corrosion cell whenever water is trapped between the two, resulting in accelerated corrosion. The supports and pipe should be separated with an insulating material such as rubber.

9) Old emergency pipe stored at the Lexington station is starting to rust because it has lost a lot of its epoxy coating due to photo degradation. The newer pipe has starting to chalk. The pipe should be stored under cover or painted to protect the epoxy coating, otherwise when needed, it will all have to be recoated.

10). Valve at MP 910.98 needs coating at ground level and a grease fitting is broken off.

11). Instrument lines should be supported in such a manner that they do not vibrate freely, such vibration can lead to fatigue failure. An instrument line at the Bethune station was very poorly supported.

We hope you will consider these areas of concern and take action to further improve your present level of safety. If we can answer any questions or be of any help, please call Lynnard Tessner at (404) 562-3535.

Please refer to CPF 29506C in any correspondence or communication on this matter, however no written response to this letter is expected.

Sincerely,

Frederick A. Joyner
Director, Southern Region
Office of Pipeline safety

cc: Compliance Officer, OPS Headquarters
DPS-20.1
Regions