



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 13, 2007

Mr. Hunter Battle
Vice President
Targa Midstream Services, L.P.
1000 Louisiana Street, Suite 4700
Houston, TX 77002-5012

CPF 4-2007-5023M

Dear Mr. Battle:

On August 27-September 1, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Targa's operations and maintenance procedures as part of a standard inspection of the pipeline records in Sulphur, LA.

As a result of the inspection, it appears that your written procedures are inadequate to assure safe operation of the pipeline as follows:

1. 195.52 Telephonic notice of certain accidents.

(a) At the earliest practicable moment following discovery of a release of the hazardous liquid or carbon dioxide transported resulting in an event described in §195.50, the operator of the system shall give notice, in accordance with paragraph (b) of this section, of any failure that: (4) Resulted in pollution of any stream, river, lake, reservoir, or other similar body of water that violated applicable water quality standards, caused a discoloration of the surface of the water or adjoining shoreline, or deposited sludge or emulsion beneath the surface of the water or upon adjoining shorelines; or (5) in the judgment of the operator was significant even though it did not meet the criteria of any other paragraph of this section.

Targa's procedures for telephonic reporting did not include the requirement to telephonically report a release affecting a stream or body of water according to §195.52(a)(4). In addition, the procedures did not include any "significant event" reporting requirement required by §195.52(a)(5).

2. 195.54 Accident Reports.

(a) Each operator that experiences an accident that is required to be reported under §195.50 shall as soon as practicable, but not later than 30 days after discovery of the accident, prepare and file an accident report on DOT form 7000-1, or a facsimile. (b) Whenever an operator receives any changes in the information reported or additions to the original report on DOT Form 7000-1, it shall file a supplemental report within 30 days.

Targa's procedures do not mention the required time frame for filing the original report. In addition, supplemental reports are not mentioned in the procedures.

3. 195.56 Filing safety-related condition reports.

(a) Each report of a safety-related condition under §195.55(a) must be filed (received by the Administrator) in writing within 5 working days (not including Saturdays, Sundays, or Federal holidays) after the day a representative of the operator first determines that the condition exists, but not later than 10 working days after the day a representative of the operator discovers the condition. Separate conditions may be described in a single report if they are closely related. To file a report by facsimile (fax), dial (202) 366-7128. (b) The report must be headed "Safety-Related Condition Report" and provide the following information: (1) Name and principal address of operator. (2) Date of report. (3) Name, job title, and business telephone number of person submitting the report. (4) Name, job title, and business telephone number of person who determined that the condition exists. (5) Date condition was discovered and date condition was first determined to exist. (6) Location of condition, with reference to the State (and town, city, or county) or offshore site, and as appropriate nearest street address, offshore platform, survey station number, milepost, landmark, or name of pipeline. (7) Description of the condition, including circumstances leading to its discovery, any significant effects of the condition on safety, and the name of the commodity transported or stored. (8) The corrective action taken (including reduction of pressure or shutdown) before the report is submitted and the planned follow-up or future corrective action, including the anticipated schedule for starting and concluding such action.

Targa's procedures indicate that a safety-related condition report should be filed when a release occurs. Generally, a safety-related condition report would be filed to take actions to prevent an accident once a condition meeting one or more of the criteria specified in §195.55 is discovered. Telephonic and accident reports are required once a release has occurred. While there may be an underlying chronic safety issue that resulted in a release and requires the filing of a safety-related condition report, the distinction should be clarified in the Targa procedures.

4. 195.222 Welders: Qualification of welders.

(a) Each welder must be qualified in accordance with section 6 of API 1104 (ibr, see §195.3) or section IX of the ASME Boiler and Pressure Vessel Code, (ibr, see §195.3) except that a welder qualified under an earlier edition than listed in §195.3 may weld but may not re-qualify under that earlier edition.

Targa's welding procedures specify the 18th Edition of API 1104, which is not the correct edition. The procedures should be modified to reflect the 19th Edition of API 1104 and the 2001 Edition of the ASME Boiler and Pressure Vessel Code.

5. 195.226 Welding: Arc Burns.

(a) Each arc burn must be repaired. (b) An arc burn may be repaired by completely removing the notch by grinding, if the grinding does not reduce the remaining wall thickness to less than the minimum thickness required by the tolerances in the specification to which the pipe is manufactured. If a notch is not repairable by grinding, a cylinder of the pipe containing the entire notch must be removed. (c) A ground may not be welded to the pipe or fitting that is being welded.

Targa's welding procedures should specify the use of NDT (ammonium persulfate) for ensuring the complete removal of arc burns. Also, the Targa procedures do not mention any restrictions on how the ground wire is attached to the pipe.

6. 195.306 Test Medium.

(a) Except as provided in paragraphs (b), (c), and (d) of this section, water must be used as the test medium. (b) Except for offshore pipelines, liquid petroleum that does not vaporize rapidly may be used as the test medium if— (1) The entire pipeline section under test is outside of cities and other populated areas; (2) Each building within 300 feet (91 meters) of the test section is unoccupied while the test pressure is equal to or greater than a pressure which produces a hoop stress of 50 percent of specified minimum yield strength; (3) The test section is kept under surveillance by regular patrols during the test; and (4) Continuous communication is maintained along entire test section. (c) Carbon dioxide pipelines may use inert gas or carbon dioxide as the test medium if—(1) The entire pipeline section under test is outside of cities and other populated areas; (2) Each building within 300 feet (91 meters) of the test section is unoccupied while the test pressure is equal to or greater than a pressure that produces a hoop stress of 50 percent of specified minimum yield strength; (3) The maximum hoop stress during the test does not exceed 80 percent of specified minimum yield strength; (4) Continuous communication is maintained along entire test section; and (5) The pipe involved is new pipe having a longitudinal joint factor of 1.00. (d) Air or inert gas may be used as the test medium in low-stress pipelines.

The Targa procedures allow the use of "other" test media when approved by the Asset Manager or Director of Engineering. The procedures should qualify this approval according to the provisions of §195.306.

7. 195.310 Records.

(a) A record must be made of each pressure test required by this subpart, and the record of the latest test must be retained for as long as the facility tested is in use.

Targa's procedures contain a contradictory statement pertaining to the retention period for pressure tests with one reference stating that only pressure tests associated with failures will be permanently retained while the records retention section states that pressure test records will be permanently retained. The procedures should be modified to be consistent with §195.310.

8. 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

Targa's operation and maintenance manual does not include procedures for periodic review of the manual as required by §195.402. In addition, all pages of the manual should include a revision date and all references to the prior operator should be appropriately modified.

9. 195.438 Smoking or Open Flames.

Each operator shall prohibit smoking and open flames in each pump station area and each breakout tank area where there is a possibility of the leakage of a flammable hazardous liquid or of the presence of flammable vapors.

Targa's procedures should specify that pump and breakout tank areas will have "No Smoking" signs posted.

10. 195.555 What are the qualifications for supervisors?

You must require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures established under Sec. 195.402(c)(3) for which they are responsible for insuring compliance.

Targa's procedures need to clearly specify the qualifications required for the supervisor responsible for administering the corrosion control procedures.

11. 195.571 Cathodic protection required by this subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained in paragraphs 6.2 and 6.3 of NACE Standard RP 0169 (incorporated by reference, see §195.3).

Targa's procedures require an interrupted survey be performed annually and the negative 850 mV "instant off" will be used as the acceptance criteria. In another paragraph, Targa's External Corrosion Control procedures specify the use of a negative 850 "on" as the acceptance criterion. The Targa procedures need reconcile the apparent discrepancy in these statements

by specifying how IR drop is to be considered in evaluating the adequacy of cathodic protection when the negative 850 mV "on" criterion is used.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In your correspondence on this matter, please refer to **CPF 4-2007-5023M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration

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