



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

August 27, 2007

Mr. Larry J. Davied,  
Vice President Technical Services  
Magellan Midstream Partners, L.P.  
One Williams Center  
PO Box 22186, MD 27-1  
Tulsa, Oklahoma 74121-2186

**CPF 4-2007-5034M**

Dear Mr. Davied:

On May 14-18, 2007, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) and Minnesota Office of Pipelines Safety (MNOPS) pursuant to Chapter 601 of 49 United States Code inspected Magellan's Pipeline Company, LP's (Magellan) procedures for Operations and Maintenance in Tulsa, Oklahoma.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Magellan's plans or procedures, as described below:

**1. §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 commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**

Magellan's procedures need to specify that appropriate parts of the procedural manual will be made available at locations where O&M activities are conducted.

**2. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(c) Maintenance and normal operations.** The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

**(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

**A. §195.214 Welding procedures**

**(b) Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.**

Magellan's procedures need to specify that each welding procedure will be recorded in detail including results of the qualifying tests and that the record will be retained and followed whenever the procedure is used.

**B. §195.228 Welds and welding inspection: Standards of acceptability.**

**(a) Each weld and welding must be inspected to insure compliance with the requirements of this subpart. Visual inspection must be supplemented by nondestructive testing.**

Magellan's procedures containing the Piping Matrix Table need to be updated to add that DOT regulated piping will be inspected by visual examination as required in WE-ADM-003.

**C. §195.228 Welds and welding inspection: Standards of acceptability**

**(b) The acceptability of a weld is determined according to the standards in Section 9 of API 1104. However, if a girth weld is unacceptable under those standards for a reason other than a crack, and if Appendix A to API 1104 (ibr, see § 195.3) applies to the weld, the acceptability of the weld may be determined under that appendix.**

Magellan's procedures need to be updated by changing the current reference to section 6 of API 1104 to section 9.

**D. §195.302 General requirements.**

**(a) Except as otherwise provided in this section and in §195.305(b), no operator may operate a pipeline unless it has been pressure tested under this subpart without leakage. In addition, no operator may return to service a segment of pipeline that has been replaced, relocated, or otherwise changed until it has been pressure tested under this subpart without leakage.**

Magellan's procedures need to specify that pipelines will be pressure tested without leakage.

**E. §195.403 Emergency Response Training.**

**(b) At the intervals not exceeding 15 months, but at least once each calendar year, each operator shall:**

**(1) Review with personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) of this section; and**

**(2) Make appropriate changes to the emergency response training program as necessary to ensure that it is effective.**

Magellan's procedures need to specify that Emergency Training will be conducted once each calendar year not to exceed 15 months.

**F. §195.410 Line markers.**

**(a) Except as provided in paragraph (b) of this section, each operator shall place and maintain line markers over each buried pipeline in accordance with the following:**

**(1) Markers must be located at each public road crossing, at each railroad crossing, and in sufficient number along the remainder of each buried line so that its location is accurately known.**

Magellan's procedures need to be more descriptive for placement of line markers along the right-of-way to ensure that the location of the pipelines is accurately known.

**G. §195.424 Pipe movement.**

**(b) No operator may move any pipeline containing highly volatile liquids where materials in the line section involved are joined by welding unless-**

**(1) Movement when the pipeline does not contain highly volatile liquids is impractical;**

**(2) The procedures of the operator under §195.402 contain precautions to protect the public against the hazard in moving pipelines containing highly volatile liquids, including the use of warnings, where necessary, to evacuate the area close to the pipeline; and**

**(3) The pressure in that line section is reduced to the lower of the following:**

**(i) Fifty percent or less of the maximum operating pressure; or**

**(ii) The lowest practical level that will maintain the highly volatile liquid in a liquid state with continuous flow, but not less than 50 p.s.i. (345 kPa) gage above the vapor pressure of the commodity.**

Magellan's procedures need to specify that when moving a pipeline containing highly volatile liquids the line pressure will be reduced to the lower of 50 percent of maximum

operating pressure or the lowest practical level that will maintain the HVL in a liquid state.

**H. §195.430 Firefighting equipment.**

Each operator shall maintain adequate firefighting equipment at each pump station and breakout tank area. The equipment must be-

- (a) In proper operating condition at all times;
- (b) Plainly marked so that its identity as firefighting equipment is clear; and,
- (c) Located so that it is easily accessible during a fire.

Magellan's needs to revise 05-form-0084 Monthly and Annual Extinguisher Inspection to exclude annual inspection since the annual fire extinguisher inspections are being conducted by a third party. The procedures also need to specify that firefighting equipment will be plainly marked according to the Safety Sign Matrix.

**I. §195.442 Damage Prevention Program**

(c) The damage prevention program required by paragraph (a) of this section must, at a minimum:

- (4) If the operator has buried pipelines in the area of excavation activity, provide for actual notification of persons who give notice of their intent to excavate of the type of temporary markings to be provided and how to identify the markings.

Magellan's procedures need to specify that an excavator will be notified of the type of temporary markings used and how to identify the marking.

**J. §195.585 What must I do to correct corroded pipe?**

(a) General corrosion. If you find pipe so generally corroded that the remaining wall thickness is less than that required for the maximum operating pressure of the pipeline, you must replace the pipe. However, you need not replace the pipe if you--

- (1) Reduce the maximum operating pressure commensurate with the strength of the pipe needed for serviceability based on actual remaining wall thickness; or
- (2) Repair the pipe by a method that reliable engineering tests and analyses show can permanently restore the serviceability of the pipe.

(b) Localized corrosion pitting. If you find pipe that has localized corrosion pitting to a degree that leakage might result, you must replace or repair the pipe, unless you reduce the maximum operating pressure commensurate with the strength of the pipe based on actual remaining wall thickness in the pits.

Magellan's procedures need to specify that when general or localized corrosion is discovered and the remaining wall thickness is determined to be less than that required for the maximum operating pressure the MOP must be reduced accordingly or the pipeline must be repaired or replaced.

**3. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(c) Maintenance and normal operations.** The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

**(4) Determining which pipeline facilities are located in areas that would require an immediate response by the operator to prevent hazards to the public if the facilities failed or malfunctioned.**

Magellan's procedures need to identify areas of their pipelines that are considered immediate response areas or reference those immediate response areas located on corresponding strip maps.

**4. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(c) Maintenance and normal operations.** The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

**(7) Starting up and shutting down any part of the pipeline in a manner designed to assure operation within the limits prescribed by paragraph §195.406, consider the hazardous liquid or carbon dioxide in transportation, variations in altitude along the pipeline, and pressure monitoring and control devices.**

Magellan's procedures need to specify that during start up and shutdown of pipelines, line pressures shall not exceed 110 percent of MOP.

**5. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(d) Abnormal operation.** The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded;

**(2) Checking variations from normal operation after abnormal operation has ended at sufficient critical locations in the system to determine continued integrity and safe operation.**

Magellan's procedures need to include a provision for checking the pipeline at sufficient critical locations when transitioning from abnormal to normal operations.

**6. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(d) Abnormal operation.** The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded;

**(5) Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.**

Magellan's procedures need to specify that reviews for the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation will be conducted.

**7. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(e) Emergencies. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs;**

**(4) Taking necessary action, such as emergency shutdown or pressure reduction, to minimize the volume of hazardous liquid or carbon dioxide that is released from any section of a pipeline in the event of a failure.**

**(5) Control of released hazardous liquid or carbon dioxide at an accident scene to minimize the hazards, including possible intentional ignition in the cases of flammable highly volatile liquid.**

Magellan's procedures need to address minimizing the volume of a spill during an emergency response.

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

**(e) Emergencies. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs;**

**(6) Minimization of public exposure to injury and probability of accidental ignition by assisting with evacuation of residents and assisting with halting traffic on roads and railroads in the affected area, or taking other appropriate action.**

Magellan's procedures need to address how railroad traffic will be handled during emergency events.

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 correspondence concerning this matter, please refer to **CPF 4-2007-5034M** 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*