



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste. 600
Atlanta, GA 30303

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 18, 2008

Mr. Jim Lamanna
President
BP Pipelines (North America), Inc.
28100 Torch Parkway
Warrenville, IL 60555

CPF 2-2008-5006M

Dear Mr. Lamanna:

On October 9-12 and 22-24, 2007, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected BP Pipelines (North America), Inc. procedures for Integrity Management in Warrenville, Illinois.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within BP Pipelines (North America), Inc. procedures, as described below:

1. **§192.905 How does an operator identify a high consequence area?**
 - (a) ***General.* To determine which segments of an operator's transmission pipeline system are covered by Subpart O, an operator must identify the high consequence areas. An operator must use method (1) or (2) from the definition in §192.903 to identify a high consequence area.**

- 1) The BP Integrity Management Plan (IMP) does not provide sufficient detail on how the determination of HCA segments is accomplished. BP proposed additions to the IMP between weeks 1 and 2 of the inspection. The additions represent a more thorough process, however additional modifications are needed before the program provides adequate directions, e.g., specifics with respect to BP NA pipeline and the BP Alaska pipeline, better description of the objective of QA/QC activities.
- 2) The BP IMP does not require that the method used to determine HCAs for each portion of the pipeline system be documented.

2. **§192.905 How does an operator identify a high consequence area?**

(b)(1) *Identified sites.* An operator must identify an identified site, for purposes of this subpart, from information the operator has obtained from routine operation and maintenance activities and from public officials with safety or emergency response or planning responsibilities who indicate to the operator that they know of locations that meet the identified site criteria. These public officials could include officials on a local emergency planning commission or relevant Native American tribal officials.

- 1) The BP IMP does not provide procedures that describe how identified sites are determined (number of people at a site, who contacted, etc). Contractors have been used to perform the HCA segment identification, but inadequate guidance was given to the contractors to ensure a quality effort was conducted. As a result, the documentation of the basis for identified site determination is lacking and there is no repeatable process described for future evaluation of potential HCAs.
- 2) The BP IMP did not require contacting local government authorities or emergency contacts for the determination of identified sites in the process of determining HCAs that was conducted from program inception until 2006.

3. **§192.911 What are the elements of an integrity management program?**

(o) Procedures for ensuring that each integrity assessment is being conducted in a manner that minimizes environmental and safety risks.

Procedures that provide protection for environmental and safety risks are not referenced by the IMP.

4. **§192.917 How does an operator, identify potential threats to pipeline integrity and use the threat identification in its integrity program?**

(a) *Threat identification.* An operator must identify and evaluate all potential threats to each covered pipeline segment. Potential threats that an operator must consider include, but are not limited to, the threats listed in AMSE/ANSI B31.8S (ibr, see §192.7), section 2.

- 1) The BP IMP does not provide a documented process that describes how threats are analyzed. The upper-tier requirement and the results of the analysis were provided, but there is no information describing how threat scores and segment ranking are determined.
- 2) The BP IMP has no documented process for evaluating interactive threats and threat interaction has not been considered in evaluations conducted to date.

5. **§192.917 How does an operator, identify potential threats to pipeline integrity and use the threat identification in its integrity program?**

(e)(1) *Third party damage.* An operator must utilize the data integration required in paragraph (b) of this section and AMSE/ANSI B31.8S, Appendix A7 to determine the susceptibility of each covered segment to the threat of third party damage. If an operator identifies the threat of third party damage, the operator must implement comprehensive additional preventive measures in accordance with §192.935 and monitor the effectiveness of the preventive measures.

The BP IMP does not contain a documented process for integrating data from various sources, such as the Dig Track database, to insure that comprehensive preventive measures are implemented for the threat of third party damage.

6. **§192.937 What is a continual process of evaluation and assessment to maintain a pipeline's integrity?**

(b) *Evaluation.* An operator must conduct a periodic evaluation as frequently as needed to assure the integrity of each covered segment. The periodic evaluation must be based on a data integration and risk assessment of the entire pipeline as specified in §192.917.

The BP IMP does not provide procedures for the performance and documentation of a periodic evaluation based on data integration and risk assessment that includes:

- Past and present assessment results;
- Data integration and risk assessment information;
- Decisions about remediation; and
- Additional preventive and mitigative actions.

7. **§192.935 What additional preventive and mitigative measures must an operator take?**

(a) *General requirements.* An operator must take additional measures beyond those already required by Part 192 to prevent a pipeline failure and to mitigate the consequences of a pipeline failure in a high consequences area. An operator must base the additional measures on the threats the operator has identified to each pipeline segment. (See §192.917)

- 1) The BP IMP does not contain a documented process for identifying additional measures needed to prevent pipeline failure on HCA segments that is based on identified threats and risk analysis.
- 2) The BP IMP does not include a documented process that considers a spectrum of additional measures to prevent failure of the pipeline or to mitigate consequences resulting from the pipeline's failure.
- 3) The BP IMP does not make appropriate use of references to other documents which implement activities. Examples include:
 - The Damage Prevention Program identified in procedure P-192.614.
 - The BP "Hurricane Plan", the "Earthquake Response Plan", and the efforts conducted to detect and remediate concerns cause by "strudel erosion" on offshore pipeline in Alaska.
- 4) The BP IMP has no documented procedures for a decision-making process that determines which P&M measures are to be implemented, and requires input from affected organizations.
- 5) The BP IMP has no decision-making process for the determination of appropriate P&M measures that includes both likelihood and consequences of pipeline failures. This includes an absence of a documented process as well as an absence of the consequence component of evaluations performed to date.
- 6) The BP IMP includes no process for identifying and documenting the implementation of additional P&M measures or scheduling necessary measures for implementation.

8. §192.935 What additional preventive and mitigative measures must an operator take?

(c) *Automatic shut-off valves (ASV) or Remote control valves (RCV).* If an operator determines, based on a risk analysis, that an ASV or RCV would be an efficient means of adding protection to a high consequence area in the event of a gas release, an operator must install the ASV or ACV.

BP has not performed a risk-based analysis to determine if automatic shut-off valves or remote control valves should be added to protect its HCA segments and no documented process exists for the performance of this analysis.

9. §192.909 How can an operator change its integrity management program?

(a) *General.* An operator must document any change to its program and the reasons for the change before implementing the change.

The BP IMP does not include a documented process that requires the reason for IMP changes to be documented prior to implementation of the changes.

10. §192.911 What are the elements of an integrity management program?

(l) A quality assurance process as outlined in ASME/ANSI B31.8S, section 12.

- 1) Section L. Quality Assurance (QA) of the BP IMP does not address or describe how ASME B31.8S, Section 12 requirements are met and how the IMP is to be reviewed on a periodic basis, nor is there any process for addressing recommendations for IMP program improvements.
- 2) The BP IMP neither contains nor references a documented corrective action process to ensure that corrections to the IMP or the QA process are documented and monitored for effectiveness.
- 3) The BP IMP does not contain a documented process that specifies how contracted resource suppliers are examined for implementation of an adequate quality assurance process to assure that IMP activities are conducted in a quality manner.

11. §192.7 Incorporation by references.

(a) Any documents or portions there-of incorporated by reference in this part are included in this part as though set out in full. When only a portion of a document is referenced, the remainder is not incorporated in this part.

The BP IMP does not address how “should” statements in referenced standards are considered within the IMP, nor does it identify how alternative implementation methods or the basis for not implementing the “should” statements are to be documented.

12. §192.911 What are the elements of an integrity management program?

(m) A communication plan that includes the elements of ASME/ANSI B31.8S, section 10, and that includes procedures for addressing safety concerns raised by—

- (1) OPS; and**
- (2) A State or local pipeline safety authority when a covered segment is located in a State where OPS has an interstate agent agreement.**

- 1) The BP IMP does not fully document how internal communications of integrity management are to be conducted within the organization to ensure that understanding and support for the program are established. This plan should not only include management, but other personnel that conduct IMP-related activities.
- 2) The BP IMP does not include a documented process for addressing safety concerns raised by PHMSA, State, or Local pipeline authorities.

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 45 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 2-2008-5006M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Linda Daugherty
Director, Southern
Pipeline and Hazardous Materials Safety Administration

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