

LETTER OF CONCERN

January 19, 2000

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Colonial Pipeline Company
Attn: Mr. W. D. Scott
Senior Vice President & Chief Operating Officer
945 East Paces Ferry Road
Atlanta, GA 30326

CPF No. 220005002C

Dear Mr. Scott,

Between June and November, 1999, representatives of the Southwest, Southern, and the Eastern regions of the Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted team and individual inspections of your pipeline facilities and records. I understand that the following items of concern were communicated to the appropriate management and code personnel in exit interviews. I would expect that these issues be addressed, as applicable, on a global/system wide basis.

1. Pressure Related Issues

A. Your procedures do not require documentation of “as-found” set-points when inspecting and testing relief valves, only the “final pressure” set-points. Similar critical pressure switch testing procedures do not require documenting “as-found” or “as-left” set-points. Also, inspection and testing of multi-unit pump station “hi line pressure switch” dead-bands are not required, although these dead-bands are used in your flow simulation model that is used for determining pipeline system performance during upset conditions. The concern is that without testing and documenting the above-stated safety device information, there is no “track record” of the devices’ performance to reasonably assure reliable operation of the equipment, and to assure performance accuracy in the flow model.

B. There was no documentation or procedure for inspecting and testing the “safety valve” at Griffin, No. Macon, or Americus delivery stations. This valve is in the same flow-path as the delivery valve, and closes on high manifold pressure. The “safety valve” closes

on high manifold pressure when the delivery valve is inoperable during a loss of power (“backs up” the delivery valve in this case). I understand that the valve closes each time the delivery is shut in and frequently operates, but there is no documentation that this valve is inspected and tested.

C. Inequities in the placement and application of thermal relief valves were observed at some locations (refer also to Letter of Concern 28500C (1/15/98) which identified OPS concerns in 1997). For example, at some delivery locations no thermal relief valves were located at the shipper interface piping, although they exist at other such locations. One location had no thermal relief valve on the pump casing, although most other pump casings had thermal reliefs. “Tags” on some thermal relief valves indicated set-point pressures that were not consistent with required “redbook” set-points. I understand that the person that had been assigned to address some of these issues is no longer employed by Colonial. I continue to be concerned that Colonial needs to address these outstanding issues and complete the engineering standard that I understand is still in progress.

D. It was observed that tagging and/or labeling of pressure switches was not consistent along the system. Some tags/labels indicated inaccurate/confusing switch descriptions and/or outdated (incorrect) set-points. Switches at some locations were not tagged, and some were labeled in ink or pencil. A consistent pressure switch description label/tag requirement throughout Colonial’s system would be beneficial.

E. The Meridian Delivery Station manifold relief valves are normally blocked off (with closed isolation valves) when the station is shut in. Although it is standard practice for operating personnel to open the isolation valve(s) to make the relief valves operative, my concerns are 1) that this practice has not been documented in your written operating procedures, and 2) that the relief valves could remain closed when delivering product (open flow path sequence does not require open isolation valves). I understand that the Meridian operating procedures have been revised, and the need for relief isolation when not delivering product is under review. Colonial should also review any other similar configurations on the pipeline system.

F. The Red book does not adequately describe the thermal relief valves that are located at the Bainbridge Delivery Station.

G. The test pressure gauge used to test the North Macon pressure switches during the OPS inspection was not adequately calibrated. Observed comparison of the test gauge indication with the deadweight gauge revealed a 10 psig difference (test gauge 990, deadweight 1,000).

2. Hydrostatic Test Plan

Upon review of your *Hydrostatic Test Plan & Schedule (dated 12/4/98)*, it was discovered that the required compliance deadline for having a plan in place to test

approximately 660 miles of pipeline was not met. While you are finalizing your plans for these pipeline segments, I want to convey that the compliance deadlines for the actual testing of these pipelines are December 7, 2000 and December 7, 2003.

3. Electrical

At Lake Charles Injection Station, a conduit was observed as having a cover missing. Also, a flexible conduit on an electrical circuit was found corroded into two pieces, due to atmospheric corrosion. These observed conditions do not meet the requirements of the National Fire Protection Association's (NFPA) National Electrical Code.

4. Corrosion

A. Three thermal relief valve covers at Lake Charles had excessive atmospheric corrosion and pitting. Field personnel acknowledged the problem and said the covers would be replaced.

B. Minor atmospheric corrosion was noted at St. Ives station.

C. At East Nashville Delivery, the 12 - inch Line 19 pipe at the pipe/soil interface has indications of atmospheric corrosion with some pitting.

5. Line markers

A. A lack of pipeline markers was observed along Line 17 at several locations, including upstream from Roberts Road crossing, upstream of Griffin Station (right of way overgrowth blocks view of marker), proceeding north from South Macon delivery station, proceeding through Pineland Plantation north of Newton GA, adjacent to Highway 91.

B. Markers in the vicinity of Signal Mountain Station were obstructed from view by grass/vegetation overgrowth. The listed company telephone number on pipeline markers at a few locations were not legible. I understand that new telephone stickers were on order.

If I can answer any questions or be of any assistance, please call me at (404) 562-3530.

Sincerely,

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

cc: Compliance Registry, OPS Headquarters