



U.S. Department  
of Transportation  
**Research and  
Special Programs  
Administration**

Southern Region, Pipeline Safety

Atlanta Federal Center  
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100 Alabama St., SW  
Atlanta, GA 30303-3104

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 7, 1997

Mr. C.O. Grotzinger  
Vice - President,  
Mid - Valley Pipeline Company  
P.O. Box 2039  
Tulsa, OK 74102-2039

CPF No. 27502-W

Dear Mr. Grotzinger,

On May 13 - 16, 1996, and September 16 - 18, 1996, a representative of the Southern Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an inspection of your Mississippi, Tennessee, and Kentucky pipeline facilities, and records at Oxford Mississippi and at Burlington, Kentucky.

As a result of the investigation, it appears that you have committed probable violations as noted below of pipeline safety regulations Title 49, Code of Federal Regulations, Part 195.

The items inspected and probable violations are:

1. **§195.401 General requirements.**
  - (b) **Whenever an operator discovers any condition that could adversely affect the safe operation of its pipeline system, it shall correct it within a reasonable time. However, if the condition is of such a nature that it presents an immediate hazard to persons or property, the operator may not operate the affected part of the system until it has corrected the unsafe condition.**

The contractor's report of the August 1994 Green River (Kentucky) inspection identified two submerged (underwater) segments of the pipeline that were exposed in the river bottom, and recommended remedial action be taken to restore cover to the exposed

segments. At the time of the OPS inspection, the field personnel were unaware of the exposed segments and the recommended remedial action.

**2. §195.404 Maps and records.**

**(a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information: . . . (1) (viii) Safety devices to which §195.428 applies.**

Discrepancies exist in Mid Valley's Operating Procedure Manual, and as indicated on the Maximum Operating Pressures drawing, relating to Simpsonville pump station suction side relief valve set point.

**3. §195.416 External corrosion control.**

**(c) Each operator shall, at intervals not exceeding 2-1/2 months, but at least six times each calendar year, inspect each of its cathodic protection rectifiers.**

The below listed rectifier inspections exceeded the 2-1/2 month time interval as indicated.

Rectifier	Inspection Dates	Days Exceeding 2-1/2 Mo.
Simpsonville Station (#1)	12/1/94, 3/1/95	13
Simpsonville Station (#2)	12/1/95, 3/1/95	13
Camp Ernst	7/7/95, 11/2/95	41
Sugar Hill	11/2/95, 1/24/96	7

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violation persists up to a maximum of \$500,000 for any related series of violations.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to assess you a civil penalty. We advise you, however, that should you not correct the circumstances leading to the violations, we will take enforcement action when and if the continued violation comes to our attention.

In addition to the above listed probable violations, the inspections revealed some areas that are cause for concern, and are listed below. I hope that you also will consider these concerns as constructive relating to pipeline safety.

- Section 1.1 of your Maintenance Manual contains the following statements . . . "By reference, 49 CFR 195.3 incorporates ANSI B31.4, NACE Standards RP0169-92, RP0572-85, RP0175-75, RP0675-75, and RP0177-83 as requirements to be satisfied. The criteria for external corrosion protection of underground facilities are established in 49 CFR Part 195.416, ANSI B31.4 and NACE Standard RP0169-92 AND RP0675-75. . . ."

NACE standards and certain portions of ASME/ANSI B31.4 (all sections other than Section 419) are not incorporated by reference in Part 195. Also, the standards in your manual that define acceptable cathodic protection criteria appear to be in conflict, in that your referenced NACE Standard RP0169-92 requires that voltage drops other than those across the structure-to-electrolyte boundary must be considered, and elsewhere the procedures state that voltage measurements on pipelines should be taken with consideration to voltage (IR) drops.

I recommend that the Part 195 incorporation by reference wording be removed from the corrosion section of your maintenance manual, and that your acceptable cathodic protection criteria be revised such that there is no conflict between any referenced standards and specifically written criteria. It is noted here that current best industry practice and NACE RP0169-92 require the operator to consider IR drop for valid interpretation of voltage measurements when taken with the cathodic protection applied.

- A review of 1995 and 1996 cathodic protection surveys in Kentucky reveals marginal and/or below-acceptable p/s readings at MP 692 (Colling Hill rd.), MP 740 (Highway 1861), and (1995 survey) MP 629.5 (July 3, 1992 corrosion leak location). Also, a review of previous close interval surveys at these locations indicate significantly higher (more negative) p/s readings.

- The main line valves north and south of the Kentucky River would not operate remotely as designed (valve command close signal initiated from Tulsa Control Center), during the inspection. These valves malfunctioned due to communications/electronics problems, and dedicated communication links are being installed to address the problem. My concern is that other remote operated valves may not be reliable to perform as designed (reducing valve closing response time, thus minimizing the quantity of hazardous liquids spilled during an accident). A review of Table 1-1 (CALCULATION OF MAXIMUM FORESEEABLE DISCHARGE) of Mid Valley's Oil Spill Response Plan indicates the calculated worst case discharges are based in part, on a 10 minute reaction time (0.167 hr) as follows: ". . . 5-minute SCADA detection and notification time plus a 5-minute interval for system shutdown by remote valve operation." I also note that CFR 194.121(b)(8) requires immediate modification of your oil spill response plan upon information that may affect full implementation of the plan, and to submit the change to RSPA within 30 days of making such a change.

- Paragraph 5.5 (page 9) of your maintenance manual corrosion section addresses certain guidelines to be followed once shorted casings have been identified. Statements #1 and #2 under 5.5, page 9 separate identified shorted casings into two groups: (1) where cathodic protection "meets DOT standards," and (2) those "where cathodic protection is inadequate." It is recommended that the above referenced wording be revised and/or clarified to refer to specific observable acceptance criteria.

You will not hear from us again with regard to the noted inspection and our subsequent action. Because of the good faith that you have exhibited up to this time, we expect that you will act to bring your pipeline (and/or your operations) into compliance with pipeline safety regulations.

Sincerely,

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

cc: Compliance Registry, OPS Headquarters