

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 9, 1999

Mr. Luis Gonzalez
Operations Manager
The Pipeline of Puerto Rico, Inc.
P. O. Box 366697
San Juan, PR 00936-6697

CPF No. 29606W

Dear Mr. Gonzalez:

On November 15 and 17, 1999, a representative of the Southern Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of your pipeline facilities and records at San Juan, Puerto Rico.

As a result of the inspection, 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 the probable violations are:

1. §195.416 External corrosion control.

(c) Each operator shall, at intervals not exceeding 2 ½ months, but at least six times each calendar year, inspect each of its cathodic protection rectifiers.

In that the operator did not inspect its rectifier at intervals not to exceed 2 ½ months. Readings were taken on the line monthly which showed that the line did have current on it. However the current was coming from the customer's rectifier. There was only one reading of the rectifier in the last year and it showed a problem, which was not recognized as such.

2. §195.214 Welding: General.

(a) Welding must be performed by a qualified welder in accordance with welding procedures qualified to produce welds meeting the requirements of this subpart. The quality of the test welds used to qualify the procedure shall be determined by destructive testing.

(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.

In that the operator does not have a welding procedure as required by the code.

3. §195.406 Maximum operating pressure.

(b) No operator may permit the pressure in a pipeline during surges or other variations from normal operations to exceed 110 percent of the operating pressure limit established under paragraph (a) of this section. Each operator must provide adequate controls and protective equipment to control the pressure within this limit.

In that the high pressure limit switch for the pump is set at 550psig which exceeds 110% of MOP by 12%. The switch should be set at a maximum of 495psig.

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 violations 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 the continued violations come to our attention.

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