

LETTER OF CONCERN

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 7, 2000

Mr. Robert M. Rogan
Mill Manager
Gaylord Container
Mill Division
Post Office Box 1060
Bogalusa, Louisiana 70427

CPF No. 220001003C

Dear Mr. Rogan:

On 12 - 13 June 2000, a representative of the Southern Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an initial onsite pipeline safety inspection of your pipeline records at Bogalusa, Louisiana and pipeline facilities in Louisiana and Mississippi. The review disclosed some areas that are cause for concern. We hope you find these areas worthy of your attention.

Please consider the following:

1. **Marking of Pipeline and Facilities**

- The marker at the Pearl River mainline valve site (south side of river) is faded and not legible.
- The road crossing at Austin Road in Bogalusa is not marked.

2. **Security of Valves** The valves at the following three (3) locations were not protected from tampering, the three strand barb wire on top of the fenced enclosure was in unsatisfactory condition and the valves were not protected by locks.

- Reducing Station at Mitch
- Angie Station
- Pearl River Mainline Valve, south side of the river

3. **Atmospheric Corrosion** There was no documentation of atmospheric corrosion inspections being performed on the pipeline. There was evidence of atmospheric corrosion at the following locations

- Angie Station - surface rust on station piping
- Reducing Station at Mitch - surface rust on station piping

- Pearl River Mainline Valve, south side of river - light pitting on above ground pipe
 - Duke Energy receiving station - the mastic had deteriorated and there was surface rust at the air-ground interface.
4. **Right of Way (ROW) Visibility for Aerial Patrol** The canopy obscures the ROW from aerial observation at several points inside the Bogalusa city limits
 5. **Liaison With Public Officials** Liaison with Public Officials in areas traversed by the pipeline has not been established
 6. **Rectifier Monitoring** The system rectifier was only read five (5) times during 1998
 7. **Relief Valve Inspection** There was no documentation for relief valve inspections in 1997, 1998, and 1999,
 8. **Relief Valve Capacity Review** There was no documentation for the determination of the required relief capacity.
 9. **Valve Maintenance** The documentation for the 1999 valve inspections was not available.
 10. **Relief Valve Security** The relief valve isolating valve was not secured to prevent unauthorized operation.
 11. **Examination of Buried Pipeline When Exposed** There was no documentation for the examination of buried pipe when it was exposed.
 12. **Continuing Surveillance and Class Location Study** There was no documentation of the annual Class Location study being performed per Section 7.3 of the Operations Manual. The map showing houses along the ROW required by the procedure was also not available.
 13. **Communications** Company personnel utilize vehicular mounted cellular telephones for normal and emergency communications, there are “dead spots” in the coverage along the ROW.
 14. **Public Education Program** There is currently no program in place to educate the public, appropriate government organizations, and excavators on recognizing a gas pipeline emergency for the purposes of reporting it to the operator or the appropriate government officials.
 15. **Operator Qualification Rule** Operator personnel were unfamiliar with the rule and have not begun planning for it.
 16. **Welding Procedure** The welding procedure used for a pipe cutout and replacement due to third party damage was not available.

17. **Establishment of Maximum Allowable Operating Pressure (MAOP)** The documentation for the establishment of the MAOP of the Baxterville to Mitch portion of the pipeline was not available.

18. **Operating Manual**

- Section 4.3 Abnormal Operations does not include a review of response actions to determine their effectiveness
- Section 5.16 Emergency Equipment List contains a list of items that could or should be on hand in case of an emergency but does not list those items that Gaylord or it's response contractor maintain on-hand.
- Section 6.9 Pipeline Repairs references 49 CFR 192 rather than delineating specific procedures. Specifically there is no requirement listed to visually inspect welds, protect welding operations from the weather, and that the repair of a crack in a previously repaired area must be done using a previously qualified welding procedure.
- The definition of a pipeline incident in Section 7.7 is much broader than the definition in §191.3.

We hope you will consider these areas of concern and take action to maintain and further improve your present level of safety. If we can answer any questions or be of any help, please call us at (404) 562-3530.

Please refer to CPF 220001003C in any correspondence on this matter.

Sincerely,

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

cc: Compliance Officer, OPS Headquarters
DPS-20.1
Regions