

WARNING LETTER

January 24, 2001

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Al Alfonso
Vice President, Power Generation
Florida Power & Light Company
700 Universe Boulevard
Post Office Box 14000, PGBU/JB
Juno Beach, FL 33408

CPF No. 220016007W

Dear Mr. Alfonso:

Between December 4 and December 8, 2000, representatives of the Southern Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, conducted an inspection of Florida Power & Light Company's (FPL) pipeline facilities and records at Riviera Beach and Palmetto, Florida.

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, Parts 195 and 192.

The probable violations are:

1. **§192.707 Line markers for mains and transmission lines.**
 - (a) **Buried pipelines. Except as provided in paragraph (b) of this section, a line marker must be placed and maintained as close as practical over each buried main and transmission line:**
 - ... (2) **Wherever necessary to identify the location of the transmission line or main to reduce the possibility of damage or interference.**
 - (b) **Exceptions for buried pipelines. Line markers are not required for the following buried pipelines:**

- (1) waterways and other bodies or water.
- (2) Mains in Class 3 or Class 4 locations where a damage prevention program is in effect under §192.614.
- (3) Transmission lines in Class 3 or 4 locations until March 20, 1996.
- (4) Transmission lines in Class 3 or 4 locations where placement of a line marker is impractical.

In that the 20" natural gas pipeline in the area traversing the Allapattah Ranch (downstream of B/V #1, south of and parallel to State Hwy. 714) was not adequately marked with pipeline markers as required of §192.707(a)(2).

- 2. **§195.303 Risk-based alternative to pressure testing older hazardous liquid and carbon dioxide pipelines.**
 - ... (a) An operator may elect to follow a program for testing a pipeline on risk-based criteria as an alternative to the pressure testing in Sec 195.302(b)(1)(i)-(iii) and Sec. 195.302(b)(2)(i) of this subpart. Appendix B provides guidance on how this program will work. An operator electing such a program shall assign a risk classification to each pipeline segment according to the indicators described in paragraph (b) of this section as follows:
 - (1) Risk Classification A if the location indicator is ranked as low or medium risk, the product and volume indicators are ranked as low risk, and the probability of failure indicator is ranked as low risk;
 - (2) Risk Classification C if the location indicator is ranked as high risk; or
 - (3) Risk Classification B.
 - ... (f) An operator electing to follow a program under paragraph (a) must develop plans that include the method of testing and a schedule for the testing by December 7, 1998. The compliance deadlines for completion of testing are as shown in the table below:

Table. - Sec. 195.303--Test Deadlines

Pipeline segment	Risk Classification	Test deadline
Pre-1970 Pipe susceptible to longitudinal seam failures [defined in Sec. 195.303(c) & (d)].	C or B	12/7/2000
	A 12/7/2002
All Other Pipeline Segments	C	12/7/2002
	B	12/7/2004
	A	Additional testing not required

In that the December 7, 1998 compliance deadline for developing plans that include the method of testing and a schedule for testing the 16" Manatee pipeline was not met, as required of **195.303(f)** [no test recording charts or logs have been found for the pipeline]. It is noted that for Risk Classification "C" pipelines that do not have pre-1970 pipe susceptible to longitudinal seam failures, the test deadline is 12/07/2002.

Other Items of Concern:

Pipeline safety regulations (ref. §195.444, effective 7/6/99) require that certain computational pipeline monitoring (CPM) leak detection systems be in compliance with API 1130 in operating, maintaining, testing, record keeping, and dispatcher training. It appears that the Martin Terminal SCADA monitoring and alarm system qualifies as a CPM system in that the system is set to alarm the terminal operator upon a preset detected line imbalance during steady state oil flow. FPL should review their CPM system procedures and operation to assure that they are in full compliance with the safety regulations relating to §195.444.

Exposed above-ground piping segments located at the FPL Martin Terminal, the 18" line terminus at the FPL Martin power plant, and at the 16" line terminus at the FPL Manatee plant were not coated or painted, due to previous FPL removal of thermal insulation for pipe inspection and future coating. Pipeline safety regulations require that pipe exposed to the atmosphere be coated/painted; FPL needs to complete this requirement. This office encourages FPL to continue their above-ground thermal insulation removal program in order to inspect and paint/coat the piping. The concern is that on above-ground thermally insulated pipe that is not continuously heated (because of intermittent liquid flow in the line), there may be undetected pipe corrosion activity due to saturated insulation adjacent to the pipe.

Discharge pressure records are maintained on hourly log sheets. Also, electronic SCADA-pollled pipeline discharge pressure records are maintained at Martin Terminal, but are "rolled off" of the electronic records after 30 days. Pipeline safety regulations require operators to maintain, for at least 3 years, pump station discharge pressure records and records that indicate emergency or abnormal operation. FPL's liquid pipeline pump discharge pressure data at Martin and Manatee terminals must be archived for at least 3 years, regardless of operating procedures requiring special archiving of abnormal or emergency events. Also, please find attached a copy of a 10/1/97 OPS Interpretation letter relating to the use of SCADA systems to record pump discharge pressures, for your operations personnel's use. This letter addresses what OPS considers to be appropriate minimum time intervals for electronically recorded pressure data.

As you may know, third-party damage is one of the leading causes of pipeline accidents. This office recently mailed a copy of the *Common Ground Study of One-Call Systems and Damage Prevention Best Practices* to FPL personnel. The purpose of the study, sponsored by OPS, was to gather and assess information to determine best practices of existing one-call notification system and underground facility damage prevention practices. We encourage FPL to review this document for the best practices that may be applicable to your system.

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

Sincerely,

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

cc: Compliance Registry, OPS Headquarters