



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, D.C. 20590

SEP 30 2016

Mr. William R. Gilmore
Deputy Director – Operations Division
State of North Carolina Utilities Commission
430 North Salisbury Street
Raleigh, North Carolina 27603

PHMSA-2016-0080

Dear Mr. Gilmore:

By letter dated June 20, 2016, the State of North Carolina Utilities Commission (NCUC) notified the Pipeline and Hazardous Materials Safety Administration (PHMSA) that on Monday, June 20, 2016, it issued a waiver from 49 CFR 192.939, to Duke Energy Progress, LLC (DEP), for the conduction of reassessment of a pipeline that is scheduled to be retired and replaced by a larger pipeline within 16 months of the required reassessment.

On July 29, 2016, PHMSA requested that NCUC extend its review period to September 30, 2016, and delay the effective date of the waiver. This extension time allowed PHMSA to gather additional information that was necessary to complete the technical analysis and review of the waiver request. On September 9, 2016, PHMSA requested that NCUC and DEP provide additional explanation of how effective surveys were run without them being an interrupted survey. To date, neither NCUC nor DEP has provided this information to PHMSA. After a careful analysis of available information PHMSA is denying the request.

PHMSA finds DEP failed to provide:

1. Current (2016) corrosion survey information including close interval survey (CIS) and direct current voltage gradient (DCVG) survey information for the pipeline,
2. The procedures used in conducting the surveys with explanation of how effective surveys were run without them being interrupted surveys, and,
3. The findings of all assessment or remediation conducted.

If these surveys including all assessments or remediation are conducted and documented, PHMSA would consider a new request from NCUC.

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Mr. William R. Gilmore
State of North Carolina Utilities Commission

My staff would be pleased to discuss this matter or any other regulatory matter with you. Mr. John Gale, Director of Standards and Rulemaking, may be contacted at 202-366-0434, on regulatory matters and Mr. Kenneth Lee, Director of Engineering and Research, may be contacted at 202-366-2094, on technical matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan K. Mayberry". The signature is fluid and cursive, with a prominent initial "A" and a long, sweeping underline.

Alan K. Mayberry
Acting Associate Administrator for Pipeline Safety