

April 12, 2000

Mr. William J. Sim
Vice President/Manager
Potomac Electric Power Company
1900 Pennsylvania Avenue, NW
Washington, DC 20068-0001

Re: CPF No. 1-2000-6001-H

Dear Mr. Sim:

Enclosed is a Corrective Action Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. Service is being made by certified mail and telecopy. Your receipt of the enclosed document constitutes service of that document under 49 C.F.R. § 190.5. The terms and conditions of this Corrective Action Order are effective upon receipt.

Sincerely,

Gwendolyn M. Hill
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

cc: Fred Johnson
Support Terminal Services
17304 Preston Road, Suite 1000
Dallas, TX 75252-5623

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED) AND TELECOPY

DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
WASHINGTON, DC 20590

In the Matter of)	
Potomac Electric Power Company, Owner and)	CPF No. 1-2000-6001-H
Support Terminal Services, Operator)	
Respondents.)	

CORRECTIVE ACTION ORDER

Purpose and Background

This Corrective Action Order is being issued, under authority of 49 U.S.C. § 60112 to require Potomac Electric Power Company (PEPCO) and Support Terminal Services to take the necessary corrective action to protect the public and environment from potential hazards associated with the PEPCO pipeline. This pipeline is owned by PEPCO and operated by Support Terminal Services. PEPCO's pipeline system originates at the Piney Point, Maryland marine terminal and transports fuel to the Morgantown, Maryland and the Chalk Point, Maryland electric generating plants through the Ryceville, Maryland transfer station. The Office of Pipeline Safety (OPS) has found that corrective action is necessary to prevent the recurrence of a failure similar to that which occurred on April 7, 2000.

On April 7, 2000, at approximately 2:30 pm EDT, a release of approximately 2,500 barrels of a mixture of #2 and #6 fuel oils was discovered on the PEPCO pipeline. The spill occurred in a marshy area of Swanson Creek, a tributary of the Patuxent River. The spill was located about 125 feet from a valve on the PEPCO property at the Chalk Point electric generating plant near the town of Aquasco, Maryland. The Chalk Point electric generating plant is on the river bank of the Patuxent River and Swanson Creek. The spill was initially contained in the Swanson Creek however, due to a subsequent failure of the booms, the fuel oils reached the Patuxent River and continue to migrate toward the Chesapeake Bay. The release impacted the Swanson Creek and adjacent tributaries and wetlands, and the Patuxent River.

Pursuant to 49 U.S.C. § 60117, the Eastern Region, OPS initiated an investigation of this incident.

Preliminary Findings

1. On April 7, 2000, at approximately 2:30 pm EDT, a release of approximately 2,500 barrels of fuel oil was discovered on the PEPCO 12-inch products pipeline which impacted the Swanson Creek and adjacent tributaries and wetlands, and the Patuxent River.

2. The subject pipeline is owned by PEPCO and operated by Support Terminal Services, it transports fuel oil products from Piney Point marine terminal to the Morgantown and the Chalk Point electric generating plants through the Ryceville transfer station.
3. The 51.5 mile pipeline system was put into service in 1973. PEPCO purchased the pipeline in 1976. The pipeline crosses two tidal rivers and associated tributaries. These rivers and tributaries are connected to the Potomac and Patuxent rivers. The pipeline also traverses through or near a number of environmentally sensitive areas which include extensive tidal marshes, fringing intertidal marshes, sheltered tidal flats and freshwater marshes and swamps. The Environmental Sensitivity Index (ESI) listed seven endangered and threatened species found around the pipeline: the bald eagle, peregrine falcon, shortnose sturgeon, loggerhead turtle, green turtle, and Atlantic Ridley turtle. Other species which are protected under Maryland or Federal endangered species regulations and are found around in the Potomac River are: an eastern narrow-mouthed toad, rainbow snake, and sei whales. Other areas that could be impacted by an oil spill are the Patuxent and Potomac Watershed. There are several Parks and Wildlife areas which could be impacted by an oil spill. The Bowen Wildlife Management Area, Kings Landing Park, and Patuxent River Park are located near the Patuxent River. The Westmoreland State Park, St. Clements Island State Park, and Wicomico River are located near the Potomac River.
4. The release occurred on a 12-inch segment of the pipeline that runs from Ryceville, Maryland transfer station to Chalk Point electric generating plant. This segment is constructed with 0.219-inch wall thickness, API -X42, 1973 high frequency Electric Resistance Welded (ERW) pipe.
5. The pipe appears to have failed while running an internal cleaning tool from the Chalk Point electric generating plant to the Ryceville Transfer Station.
6. The Ryceville to Chalk Point segment was inspected with an In-line Inspection Tool (IIT) in 1995 and 1997. There are repair sleeves on the 16 inch Piney Point to Ryceville segment, the 12 inch Ryceville to Morgantown segment, and the 12 inch Ryceville to Chalk Point segment.
7. The Ryceville to Chalk Point segment has a maximum operating pressure (MOP) of 550 psig.
8. The pump at the Chalk Point electric generating plant is reported to be set to operate at 280 psig during the cleaning tool operations.
9. Preliminary investigation indicates that the monitoring of the pressure and flow during the IIT operations was not adequate. Meter and pressure measuring devices were by passed when pumping from Chalk Point electric generating plant to Ryceville Transfer Station. Only limited gaging at the storage tanks at both ends was reported to be performed. The amount of product that escaped before being detected indicates that the leak detection capabilities were not adequate.

10. Preliminary investigation also indicates that a qualified welding procedure and qualified welders were not in place to make the repairs.
11. The cause of the incident is currently unknown.
12. The failed pipe or component has not yet been viewed by investigators.
13. The PEPCO pipeline supplies # 6 fuel oil to the Morgantown and Chalk Point electric generating plants. PEPCO has an alternative fuel source for the generating plants.

Determination of Necessity for Corrective Action Order and Right to Hearing

Section 60112 of Title 49, United States Code, provides for the issuance of a Corrective Action Order, after reasonable notice and the opportunity for a hearing, requiring corrective action, which may include the suspended or restricted use of a pipeline facility, physical inspection, testing, repair, replacement, or other action as appropriate. The basis for making the determination that a pipeline facility is hazardous, requiring corrective action, is set forth both in the above referenced statute and 49 C.F.R. §190.233, a copy of which is enclosed.

Section 60112, and the regulations promulgated thereunder, provide for the issuance of a Corrective Action Order without prior opportunity for notice and hearing upon a finding that failure to issue the Order expeditiously will result in likely serious harm to life, property or the environment. In such cases, an opportunity or a hearing will be provided as soon as practicable after the issuance of the Order.

After evaluating the foregoing preliminary findings of fact, I find that the continued operation of this pipeline without corrective measures would be hazardous to life, property and the environment. Additionally, after considering the circumstances surrounding this failure, the location of the pipeline in environmentally sensitive areas, and the uncertainties as to cause of the failure, I find that a failure to issue expeditiously this Order, requiring immediate corrective action, would result in likely serious harm to life, property, and the environment.

Accordingly, this Corrective Action Order mandating needed immediate corrective action is issued without prior notice and opportunity for a hearing. The terms and conditions of this Order are effective upon receipt.

Within 10 days of receipt of this Order, the Respondent may request a hearing, to be held as soon as practicable, by notifying the Associate Administrator for Pipeline Safety in writing, delivered personally, by mail or by telecopy at (202) 366-4566. Any hearing will be held in Washington, D.C. on a date that is mutually convenient to OPS and the Respondent.

After receiving and analyzing additional data in the course of this investigation, OPS may identify

other longer term measures that need to be taken. Respondent will be notified of any additional measures required and amendment of this Order will be considered. To the extent consistent with safety, Respondent will be afforded notice and an opportunity for a hearing prior to the imposition of any additional corrective measures.

Required Corrective Action

Pursuant to 49 U.S.C. § 60112, I hereby order PEPCO to immediately take the following corrective actions with respect to its PEPCO Pipeline.

With respect to the PEPCO's pipeline system which transports fuel between the Piney Point marine terminal to the Morgantown and the Chalk Point electric generating plants through the Ryceville transfer station:

1. Do not operate or allow operation of this pipeline system until the Director, Eastern Region, confirms in writing:
 - (a) Satisfactory completion of Items 2 and 3; and
 - (b) Approval of the plan provided for in Item 4.

Approval of the plan will be based on respondent's demonstration that all factors playing a role in the release are being adequately addressed and that the pipeline can be operated safely.

2. Review existing procedures for all repair operations on PEPCO-owned pipelines, including welding, as well as procedures to ensure personnel performing repairs are qualified. Ensure procedures meet pipeline safety regulations and industry standards, including welding in accordance with 49 C.F.R. §195.214.
3. Review existing procedures for leak detection, specifically to address the mode of failure that caused the April 7, 2000 failure. Ensure that procedures are in place for leak detection that meet pipeline safety regulations and industry standards.
4. Develop a plan with corrective measures that address factors playing a role in the release. The plan must include the following items to the extent that they address factors in the release:
 - a. Review existing instrumentation and enhance the existing operating procedures to improve the manual line balancing methods in both directions. Develop a scope of work and an implementation schedule to provide enhanced line balancing capabilities for the entire pipeline system in both directions. The scope will include appropriate upgrades to instrumentation, operator oversight, responsibility and operating procedures. The instrumentation will include an integrated pressure flow and volume measurement system for the entire system in both directions.
 - b. Develop and implement a training program for operations personnel that includes

responding to abnormal operations, starting up and shutting down any part of the pipeline system, recognizing conditions that are likely to cause emergencies, and predicting the consequences of facility malfunctions or failures such as those that occurred on April 7, 2000. Review and implement ways to address any qualification issues that may arise.

- c. Provide specific, specialized, technical procedures and equipment training to operations personnel responsible for maintenance and operation of the equipment used to monitor pressure, temperature and flow in both directions within the pipeline system.
 - d. Review the qualifications of the personnel responsible for maintenance and operation of the pressure, temperature and flow monitoring equipment to assure that they can perform functions needed.
 - e. In training provided under this item, include classroom and practical exercises.
5. Submit the written plan for approval to the Director, Eastern Region, Office of Pipeline Safety, RSPA, 400 Seventh Street, S.W., OPS-24, Suite 7130, Washington, D.C. 20590.
 6. Provide periodic updates to the Director, Eastern Region, on any progress made, and 48 hours advanced notice prior to any inspection or testing of the pipeline to allow attendance of an OPS representative.

The Regional Director may grant an extension of time upon receipt of a written request stating the reasons therefor, for completion of any of the items required under this order.

The failure of the Director, Eastern Region, to grant approval of the plan, or extend time, may be appealed to the Associate Administrator for Pipeline Safety.

The procedures for the issuance of this Order are described in Part 190, Title 49, Code of Federal Regulations, § 190.233, a copy of which is enclosed, is made part of this Order and describes the Respondents's procedural rights relative to this Order. Failure to comply with this Order may result in the assessment of civil penalties not more than \$25,000 per day and in referral to the Attorney General for appropriate relief in United States District Court.

Richard B. Felder
Associate Administrator
for Pipeline Safety

Date Issued: _____

Enclosure

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