

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 31, 2015

Mr. Todd Denton
President
Phillips 66 Pipeline LLC
3010 Briarpark Dr.
Houston, TX 77042

CPF 4-2015-5008M

Dear Mr. Denton:

On February 9-12, 2015, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Phillips 66 Pipeline LLC (Phillips 66) procedures for the Tripe C Construction Project in Pasadena, TX.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Phillips 66 plans or procedures, as described below:

1. §195.202 Compliance with specifications or standards.

Each pipeline system must be constructed in accordance with comprehensive written specifications or standards that are consistent with the requirements of this part.

The Phillips 66 procedure, P66PL-MPR-4401, Procedures and Welder Qualification, does not specifically require that all welding on PHMSA-regulated pipelines must be performed using procedures qualified according to the requirements of §195.214(a). In addition, the Phillips 66 procedure does not state that the operator will retain and follow the recorded qualified welding procedure whenever it is used as required by §195.214(b). During the PHMSA inspection, personnel involved in welding or inspecting welds on the Triple C project were unable to produce a record of the qualified welding procedure or any documentation that the procedure was being followed. Operator personnel argued that the Phillips 66 procedure did not require documentation of the welding inspections. However, without this documentation, PHMSA cannot verify that the operator was ensuring that the qualified welding procedures were being followed.

Phillips 66 must modify their welding procedure to require that all welding performed on PHMSA-regulated pipelines must be done according to welding procedures qualified to the requirements of §195.214(a). The Operator must also modify their procedures include a process for documenting welding inspections to ensure the welding is being done according to the qualified procedure.

2. §195.202 Compliance with specifications or standards.

Each pipeline system must be constructed in accordance with comprehensive written specifications or standards that are consistent with the requirements of this part.

The Phillips 66 Welding Procedure, Section 8.1 Production Weld Visual Inspection, does not include the requirement and method of documenting or recording the data needed to assure the procedure is being followed. Phillips 66 personnel argued that their procedures didn't require the inspections to be documented and consequently were unable to produce any records that the visual inspection of welds was being done according to their procedures and the requirements of API 1104, Section 9.

However, the Phillips 66 Welding Procedure require that all production welds be thoroughly inspected to identify any defects, that the root pass and each interpass should be inspected for any defects before the next weld pass is made, and nineteen other visual inspection items needed to ensure the quality of the welds. Without inspection records, the Operator doesn't have any means to show that their visual inspection procedures were followed.

Phillips 66 must to amend their Welding Procedures to include a method of documenting and recording data needed to verify that the procedures for visual inspection of every weld are being performed.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Phillips 66 Pipeline LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to R.M. Seeley, Director, SW Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2015-5008M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

R.M. Seeley
Director, SW Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*