



U.S. Department
Of Transportation
Pipeline and
Hazardous Materials
Safety Administration

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

WARNING LETTER

EXPRESS OVERNIGHT DELIVERY

June 8, 2015

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

CPF 1-2015-5007W

Dear Mr. Denton:

From October 7 to October 10, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code inspected the Phillips 66 Pipeline LLC's (Phillips) facility in Linden, New Jersey.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

1. §195.452 Pipeline integrity management in high consequence areas.

(a) . . .

(i) *What records must be kept?* (1) An operator must maintain for review during an inspection: . . .

(ii) Documents to support the decisions and analyses, including any modifications, justifications, variances, deviations and determinations made, and actions taken, to implement and evaluate each element of the integrity management program listed in paragraph (f) of this section. . . .¹

¹ On January 5, 2015, PHMSA issued a final rule that, among other things, made non-substantive editorial corrections clarifying regulatory language in certain provisions. *See*, 80 Fed. Reg. 168-188 (Jan. 5, 2015). Phillips committed a probable violation prior to the amendment to regulation §195.452(l)(1).

Phillips integrity management records failed to demonstrate compliance per §195.452(1)(1)(ii)². Phillips Field Anomaly Evaluation Report Doc. No. eForm 3933B, evaluation repair date 11/15/2013, contained inaccurate information.

During the inspection, the PHMSA inspector reviewed Phillips in-line inspection remediation projects and anomaly reports. The Field Anomaly Evaluation Report eForm 3933B dated 11/15/2013, indicated that the “[maximum operating pressure (MOP)] at Feature” was 678 pounds per square inch gauge (psig). Phillips stated that the MOP of the pipeline is 275 psig. Phillips could not produce any documentation or analysis which supported the “MOP at feature” indicated on the report. Phillips stated this “MOP at Feature” was incorrectly input or calculated by Phillips personnel.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item identified in this letter. Failure to do so will result in Phillips being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 1-2015-5007W**. 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).

Sincerely,

Byron Coy, P.E.
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

² *Id.*