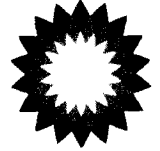


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08-07-15 12:12 RCVD



Donald W. Porter

President
BP Pipelines (North America) Inc.

BP Pipelines (North America) Inc.
150 W. Warrenville Road
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Naperville, IL 60563

SENT VIA FED-EX

August 6, 2015

Mr. Chris Hoidal, P.E.
Director, Western Region
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
12300 W. Dakota Avenue, Suite 110
Lakewood, CO 80228

Re: Notice of Probable Violation/Proposed Compliance Order CPF 5-2015-5014

Dear Mr. Hoidal:

This letter is in response to the Pipeline & Hazardous Materials Safety Administration's (PHMSA's) Notice of Probable Violation (NOPV) and Proposed Compliance Order (PCO) dated July 2, 2015, and received by BP on July 7, 2015 that resulted from a hazardous liquid standard inspection that was conducted between August 11 and 29, 2014 on the Olympic Pipe Line Company (OPL) system by representatives from PHMSA and the Washington Utilities and Transportation Commission (WUTC).

BP Pipelines (North America) Inc., operator of OPL, is not contesting the NOPV or PCO but wishes to submit additional information to clarify the alleged findings and PCO remedial requirements and timeframes. For ease of reference, the code citations along with PHMSA and WUTC's findings are restated below in italics and are followed by BP's response.

Probable Violations

1. 49 CFR §195.573 What must I do to monitor external corrosion control?

(e) Corrective action. You must correct any identified deficiency in corrosion control as required by Sec. 195.401(b). However if the deficiency involves a pipeline in an integrity management program under Sec. 195.452, you must correct the deficiency as required by Sec. 195.452(h).

Finding(s):

OPL failed to correct identified deficiencies in corrosion control as required by Sec 195.401(b) and Sec. 195.452(h). After a 2010 in-line-inspection (ILI), OPL found discrepancies in the ILI data that indicated the presence of unrecorded casings on the

pipeline system. OPL subsequently performed excavations which revealed casings, sleeves, or half sections of pipe at these locations. Some of these casings OPL knew about, but many were previously unknown by the operator's staff. In 2011, OPL initiated the "Casing Wire Repairs" project to evaluate ILI indications that suggested the presence of these casings, investigate the indications, and either remove the casing or add test leads to inspect and test for casing insulation.

Section 195.401(b) requires OPL to correct "any condition that could adversely affect the safe operation of its pipeline system...within a reasonable time." Section 195.452(h) requires OPL to take "prompt action to address all anomalous conditions the operator discovers" in high consequence areas (HCAs). As of August 2014, OPL had mitigated about 100 of the ILI indications, with 97 suspected casings remaining to evaluate. OPL's projected timeline for completion is 2020. OPS alleges that 10 years to correct these anomalies is not a reasonable or prompt schedule. In addition, the written Casing Wire Repair project does not differentiate between HCA versus non-HCA locations when prioritizing casing investigation digs.

BP Response:

Since the August 2014 audit, OPL has further analyzed data to identify the number of remaining sites needing resolution and has found that there were 120 sites in need of further investigation. Through July 2015, OPL has mitigated 74 of 120 possible casing locations, resulting in a total of 46 potential casing locations that require additional investigation to resolve.

Thus far, further investigation including field activities has resulted in the following resolutions:

Already monitored: reconciled/updated data systems	33/120
New test station installed	25/120
Casing removed or did not exist	16/120

The remaining 46 potential casing sites are all in HCA locations (42 Direct HCA, 4 Indirect HCA) and will be scheduled for resolution in accordance with the PHMSA Final Order. Any delays due to permitting approval timeframes, site access/landowner issues, and construction/weather/fish windows that could compromise compliance with the Final Order timeframes will be identified and communicated to PHMSA for awareness on a case-by-case basis and when necessary, will include a request for assistance and extension for time.

- 2. 49 CFR §195.575 Which facilities must I electrically isolate and what inspections, test, and safeguards are required?**

- (a) You must electrically isolate each buried or submerged pipeline from other metallic structures, unless you electrically interconnect and cathodically protect the pipeline and the other structures as a single unit.**
- (b) You must install one or more insulating devices where electrical isolation of a portion of a pipeline is necessary to facilitate the application of corrosion control.**
- (c) You must inspect and electrically test each electrical isolation to assure the isolation is adequate.**

Finding(s):

OPL failed to test the electrical isolation of each buried pipeline to ensure the isolation from other metallic structures was adequate. Casings are buried metallic structures in close proximity to the pipeline. As described in Item 1 above, OPL has discovered casings and casing test leads on the pipeline that were not on alignment sheets or other cathodic protection records. The electrical isolation of the previously-unrecorded casings was not tested to assure adequate isolation from the pipeline.

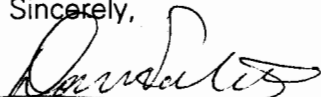
BP Response:

As noted in BP's response for item 1 above, not all potential casing locations have been determined to be actual casing locations because of the analysis and field validation that is necessary to provide resolution. OPL is in the process of resolving the remaining 46 sites to determine which sites are actual casing locations and to assure test stations are in place at these sites to test for electrical isolation. While ILI metal loss and deformation tool data is not and cannot be used in determining electrical isolation from metallic structures, it is used to assess pipe integrity at these locations, and to date there have been no pipeline integrity concerns at these locations.

Regarding the Proposed Compliance Order, BP does not have any additional comments or concerns other than unforeseen delays in the permitting, site access, or construction timeframes and will escalate as needed any site that may be at risk of on-time completion.

If you have any questions, please feel free to contact Dave Barnes at (630) 536-3419 or (331) 702-4292.

Sincerely,



Donald W. Porter
President
BP Pipelines (North America) Inc.

cc: Ms. Clorinda Nothstein, Operations Manager, BP Pipelines (North America) Inc.
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