



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 3, 2013

Mr. Todd Denton
President
Phillips 66 Pipeline LLC
3010 Briarpark Drive
PWC-7109
Houston, TX 77042

CPF 5-2013-5013M

Dear Mr. Denton:

Between July 2012 and October 2012, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Operations and Maintenance (O&M) procedures and records of the Powder River and Borger-to-Denver systems at your headquarters in Houston, Texas.

On the basis of the inspections, PHMSA identified apparent inadequacies within Phillips 66 Pipeline LLC's plans or procedures, as described below:

1. **§ 195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a) **General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.**

Phillips 66 Pipeline LLC (P66) did not establish adequate written procedures for non-destructive testing and inspecting, specifically the procedures for conducting "Phased Array" inspections. During the review of the integrity assessment of the Borger-to-Denver system, it was determined that Phased Array is one of the primary NDT methods that will be used to detect pipeline or component failures,

e.g. cracks or flaws. However, P66 did not include this method in the Operation and Maintenance (O&M) manual required by 195.402. Therefore, P66'S O&M procedure is inadequate because they did not clearly describe how the method will be used to meet the requirement of section 195.402(c)(3).

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 Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2013-5013M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry
PHP-500 H. Nguyen/T. Larson (#140068)