

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 22, 2012

Mr. Robert L. Rose
President
Tampa Bay Pipeline Company
P.O. Box 35236
Sarasota, FL 34242

CPF 2-2012-6005M

Dear Mr. Rose:

From September 12-16, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, inspected the Tampa Bay Pipeline Co. (TBPL) Pipeline Integrity Management Plan (IMP) in Tampa, Florida, pursuant to Chapter 601 of 49 United States Code.

On the basis of the inspection, PHMSA has identified apparent inadequacies within TBPL's written IMP procedures, as described below:

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

.... (g) *What is an information analysis?* In periodically evaluating the integrity of each pipeline segment (paragraph (j) of this section), an operator must analyze all available information about the integrity of the entire pipeline and the consequences of a failure. This information includes:

- (1) Information critical to determining the potential for, and preventing, damage due to excavation, including current and planned damage prevention activities, and development or planned development along the pipeline segment;**
- (2) Data gathered through the integrity assessment required under this section;**
- (3) Data gathered in conjunction with other inspections, tests, surveillance and patrols required by this Part, including, corrosion control monitoring and cathodic protection surveys; and**
- (4) Information about how a failure would affect the high consequence area, such as location of the water intake.**

TBPL's IMP written procedures did not contain a process for performing the required information analysis, which should include the analysis of all available information about the integrity of the entire pipeline and the consequences of a failure.

TBPL's written IMP did not have fully developed written procedures for implementing its IMP as required by the federal pipeline safety regulations. Instead of providing the

required written procedures in sufficient detail to explain how TBPL would meet a federal pipeline safety regulation, TBPL paraphrased (or mimicked) PHMSA guidance on the subject to address the characteristics of its IMP and then gave a general description of the results of its work. These general characteristics and the results of items TBPL completed are not written procedures and do not establish the processes TBPL states its will have in its IMP.

Section 7.0 Integrity Assessment Results Review of TBPL's IMP described some characteristics the TBPL IMP program should have, and then stated what TBPL had done so far to meet the regulation, the "procedure" did not describe in detail the processes TBPL should have used to perform the required information analysis. For example, for the integration of other information with integrity assessment results, TBPL's IMP simply restated the PHMSA guidance from *Protocol # 3.04 - Integrity Assessment Results Review: Integration of Other Information with Assessment Results* and then briefly described what TBPL had done regarding the information analysis prior to the External Corrosion Direct Assessment (ECDA) assessment of the pipeline, and during the data analysis phase of the ECDA. This is not a valid procedure. Additionally, though TBPL used hydrostatic pressure testing to assess the integrity of its pipeline, the IMP simply stated that TBPL will develop (not that they had developed) a process which meets the required characteristic and then repeated the guidance from *Protocol # 3.06 - Integrity Assessment Results Review: Hydrostatic Pressure Testing*. Once again, this is not a valid written procedure.

2. §195.452 Pipeline integrity management in high consequence areas.

.... (i) What preventive and mitigative measures must an operator take to protect the high consequence area? (1) General requirements. An operator must take measures to prevent and mitigate the consequences of a pipeline failure that could affect a high consequence area. These measures include conducting a risk analysis of the pipeline segment to identify additional actions to enhance public safety or environmental protection. Such actions may include, but are not limited to, implementing damage prevention best practices, better monitoring of cathodic protection where corrosion is a concern, establishing shorter inspection intervals, installing EFRDs on the pipeline segment, modifying the systems that monitor pressure and detect leaks, providing additional training to personnel on response procedures, conducting drills with local emergency responders and adopting other management controls.

TBPL's IMP written procedures did not establish a process for preventative and mitigative measures (PMM).

TBPL's written IMP did not have fully developed written procedures for implementing its IMP as required by the federal pipeline safety regulations. Instead of providing the required written procedures in sufficient detail to explain how TBPL would meet a federal pipeline safety regulation, TBPL paraphrased (or mimicked) PHMSA regulations and guidance on the subject to describe in general terms the characteristics of its IMP. These general descriptions and the results of items TBPL completed are not written procedures and do not establish the processes TBPL states its will have in its IMP.

For example, while the regulations require TBPL to have procedures to identify PMM for high consequence areas (HCAs), *Section 10.0 Preventive and Mitigative Measures* in TBPL's IMP only specified the characteristics TBPL's IMP program should have and did so by restating guidance from PHMSA *Protocol # 6.01 - Preventive & Mitigative*

Measures: Actions Considered, Protocol # 6.02 - Preventive & Mitigative Measures: Risk Analysis Application, Protocol # 6.03 - Preventive & Mitigative Measures: Decision Basis; and the regulatory language in §195.452(i)(1) & (2). This is not a valid procedure. Moreover, the IMP then briefly described what TBPL had done regarding PMM. This is recordkeeping and not a substitute for a valid written procedure, which should describe how TBPL would identify PMM and the PMM actions it would take to protect HCAs.

3. §195.452 Pipeline integrity management in high consequence areas.

.... (i) What preventive and mitigative measures must an operator take to protect the high consequence area?

.... (3) Leak detection. An operator must have a means to detect leaks on its pipeline system. An operator must evaluate the capability of its leak detection means and modify, as necessary, to protect the high consequence area. An operator's evaluation must, at least, consider, the following factors--length and size of the pipeline, type of product carried, the pipeline's proximity to the high consequence area, the swiftness of leak detection, location of nearest response personnel, leak history, and risk assessment results.

TBPL's IMP written procedures did not establish a process to evaluate the capability of its leak detection system, to include consideration of operator actions.

TBPL's written IMP did not have fully developed written procedures for implementing its IMP as required by the federal pipeline safety regulations. Instead of providing the required written procedures in sufficient detail to explain how TBPL would meet a federal pipeline safety regulation, TBPL paraphrased (or mimicked) PHMSA regulations and guidance on the subject to describe in general terms the processes and characteristics of its IMP. These general descriptions and the results of items TBPL completed are not written procedures and do not establish the processes TBPL states its will have in its IMP.

For example, while the regulations require TBPL to have procedures to evaluate the capability of its leak detection system and to modify it as necessary to protect HCAs, *Section 10.0 Preventive and Mitigative Measures* in TBPL's IMP restated the guidance from PHMSA *Protocol # 6.04 - Leak Detection Capability Evaluation: Evaluation Factors, Protocol # 6.05 Leak Detection Capability Evaluation: Operator Actions/Reactions*, and from the regulatory language in §195.452(i)(3). This is not a valid procedure. Moreover, the IMP then briefly described what TBPL had done regarding leak detection. This is not a substitute for a valid written procedure, which should describe how TBPL would evaluate the capability of its leak detection system, including the consideration of operator actions.

4. §195.452 Pipeline integrity management in high consequence areas.

.... (i) What preventive and mitigative measures must an operator take to protect the high consequence area?

.... (4) Emergency Flow Restricting Devices (EFRD). If an operator determines that an EFRD is needed on a pipeline segment to protect a high consequence area in the event of a hazardous liquid pipeline release, an operator must install the EFRD. In making this determination, an operator must, at least, consider the following factors--the swiftness of leak detection and pipeline shutdown capabilities, the type of commodity carried, the rate of potential leakage, the volume that can be released, topography or pipeline profile, the potential for ignition, proximity to power sources, location of nearest response personnel, specific terrain between the pipeline segment

and the high consequence area, and benefits expected by reducing the spill size.

TBPL's IMP written procedures did not establish a process to evaluate the need for EFRDs on a pipeline segment to protect an HCA in the event of a hazardous liquid pipeline release and to install the EFRDs, if required.

TBPL's written IMP did not have fully developed written procedures for implementing its IMP as required by the federal pipeline safety regulations. Instead of providing the required written procedures in sufficient detail to explain how TBPL would meet a federal pipeline safety regulation, TBPL paraphrased (or mimicked) PHMSA regulations and guidance on the subject to describe in general terms the processes and characteristics of its IMP. These general descriptions and the results of items TBPL completed are not written procedures and do not establish the processes TBPL states its will have in its IMP.

For example, while the regulations require TBPL to have procedures to identify if EFRDs are needed, *Section 10.0 Preventive and Mitigative Measures* in TBPL's IMP states that TBPL will install an EFRD if it determines an EFRD is needed as well as restating the guidance from PHMSA *Protocol # 6.06 - EFRD Need Evaluation: Factors* and the regulatory language in §195.452(i)(4). This is not a valid procedure. Moreover, the IMP then briefly described what TBPL had done regarding EFRDs. This is recordkeeping and not a substitute for a valid written procedure, which should describe how TBPL would establish a process to determine the need for EFRDs on a pipeline segment to protect an HCA in the event of a hazardous liquid pipeline release and to install the EFRDs, if required.

5. §195.452 Pipeline integrity management in high consequence areas.

.... (j) What is a continual process of evaluation and assessment to maintain a pipeline's integrity?

.... (2) Evaluation. An operator must conduct a periodic evaluation as frequently as needed to assure pipeline integrity. An operator must base the frequency of evaluation on risk factors specific to its pipeline, including the factors specified in paragraph (e) of this section. The evaluation must consider the results of the baseline and periodic integrity assessments, information analysis (paragraph (g) of this section), and decisions about remediation, and preventive and mitigative actions (paragraphs (h) and (i) of this section).

TBPL's IMP written procedures did not establish a process to periodically evaluate the pipeline as frequently as needed to assure pipeline integrity.

TBPL's written IMP did not have fully developed written procedures for implementing its IMP as required by the federal pipeline safety regulations. Instead of providing the required written procedures in sufficient detail to explain how TBPL would meet a federal pipeline safety regulation, TBPL paraphrased (or mimicked) PHMSA regulations and guidance on the subject and then described in general terms the processes and characteristics of its IMP. These general descriptions are not written procedures and do not establish the processes TBPL states its will have in its IMP.

For example, while the regulations require TBPL to have procedures to periodically evaluate the pipeline as frequently as needed to assure pipeline integrity, *Section 11.0 Evaluation and Assessment* in TBPL's IMP did not establish a process for the periodic evaluation of the pipeline, it only restated the guidance from PHMSA *Protocol # 7.01 - Continual Process of Evaluation and Assessment: Periodic Evaluation* and from the

regulatory language in §195.452(2)(2). This is not a valid procedure. Moreover, while *Section 6.0 Direct Assessment Plan* did establish a procedure for determining reassessment intervals for the ECDA process used on some of its pipelines, TBPL did not establish a process for the overall program which includes the use of other assessment methods.

6. §195.452 Pipeline integrity management in high consequence areas.

.... (j) *What is a continual process of evaluation and assessment to maintain a pipeline's integrity?*

.... (3) **Assessment intervals. An operator must establish five-year intervals, not to exceed 68 months, for continually assessing the line pipe's integrity. An operator must base the assessment intervals on the risk the line pipe poses to the high consequence area to determine the priority for assessing the pipeline segments. An operator must establish the assessment intervals based on the factors specified in paragraph (e) of this section, the analysis of the results from the last integrity assessment, and the information analysis required by paragraph (g) of this section.**

TBPL's IMP written procedures did not include a process to establish assessment intervals for continually assessing the pipeline's integrity.

TBPL's written IMP did not have fully developed written procedures for implementing its IMP as required by the federal pipeline safety regulations. Instead of providing the required written procedures in sufficient detail to explain how TBPL would meet a federal pipeline safety regulation, TBPL paraphrased (or mimicked) PHMSA guidance on the subject and then described in general terms the processes and characteristics of its IMP. These general descriptions and the results of items TBPL completed are not written procedures and do not establish the processes TBPL states its will have in its IMP.

For example, while the regulations require TBPL to have procedures to establish assessment intervals for continually assessing the pipeline's integrity, *Section 11.0 Evaluation and Assessment* in TBPL's IMP did not include a process to establish assessment intervals for continually assessing the pipeline's integrity, it only restated the guidance from PHMSA *Protocol # 7.02 - Continual Process of Evaluation and Assessment: Re-assessment Intervals*. This is not a valid procedure. Moreover, while TBPL's IMP *Section 6.0 Direct Assessment Plan* had a procedure for determining reassessment intervals for the ECDA process used on some of its pipelines, TBPL uses other assessment methods that were not addressed in the procedure.

7. §195.452 Pipeline integrity management in high consequence areas.

.... (j) *What is a continual process of evaluation and assessment to maintain a pipeline's integrity?*

.... (5) **Assessment methods. An operator must assess the integrity of the line pipe by any of the following methods. The methods an operator selects to assess low frequency electric resistance welded pipe or lap welded pipe susceptible to longitudinal seam failure must be capable of assessing seam integrity and of detecting corrosion and deformation anomalies.**

TBPL's IMP written procedures did not include a process for selecting assessment methods to continually assess its pipeline.

TBPL's written IMP did not have fully developed written procedures for implementing its IMP as required by the federal pipeline safety regulations. Instead of providing the

required written procedures in sufficient detail to explain how TBPL would meet a federal pipeline safety regulation, TBPL paraphrased (or mimicked) PHMSA guidance on the subject to describe in general terms the characteristics of its IMP. These general descriptions are not written procedures and do not establish the processes TBPL states it will have in its IMP.

For example, while the regulations require TBPL to have procedures for selecting assessment methods to continually assess its pipeline, TBPL's IMP *Section 11.0 Evaluation and Assessment* did not establish an adequate process for selecting assessment methods to continually assess the pipeline's integrity, it restated the guidance from PHMSA *Protocol # 7.03 - Continual Process of Evaluation and Assessment: Assessment Methods*. This is not a valid procedure.

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 60 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. h

It is requested (not mandated) that Tampa Bay Pipeline Co. maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Wayne T. Lemoi, Director, Southern Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 2-2012-6005M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Wayne T. Lemoi
Director, Office of Pipeline Safety
PHMSA Southern Region

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