



U.S. Department
of Transportation

Pipeline and Hazardous
Materials Safety
Administration

1200 New Jersey Avenue, SE
Washington, D.C. 20590

AUG 21 2015

The Honorable Twinkle Andress Cavanaugh
President, Alabama Public Service Commission
P. O. Box 304260
Montgomery, Alabama 36130-4260

PHMSA-2015-0153

Dear President Cavanaugh:

On June 22, 2015, the Pipeline and Hazardous Materials Safety Administration (PHMSA), received your letter dated June 9, 2015, notifying us that the Alabama Public Service Commission (Commission) is granting a waiver to ExxonMobil US Production Company ("ExxonMobil"), to allow for the use of 3-inch Specialty RTP, LLC Reinforced Thermoplastic Pipe (RTP) to rehabilitate two abandoned 6-inch carbon steel pipelines. This RTP will be used to transport both natural gas and "produced liquids" between two platforms (77B and 76 Aux) in Mobile Bay, Alabama. The natural gas segment is under the jurisdiction of the Commission while the "produced liquids" is not jurisdictional to the Commission. The distance between the two platforms is 9,187 feet (1.74 miles) and traverses the Mobile Bay Entrance Channel. This waiver has been requested from 49 CFR §§192.53, 192.59 and 192.123, since the RTP is not currently recognized in 49 CFR Part 192.

ExxonMobil submitted an application to the Commission to repair the existing pipelines which were in service until 2014 when leaks were identified on each. At that time, ExxonMobil "shut-in" both lines. Prior to that time, in an attempt to mitigate corrosion, both pipelines had cathodic protection. The proposal requests the use of the RTP by means of a "pull-back" of the RTP through the existing 6-inch pipelines. Following installation of the fuel gas pipelines the RTP will operate between 300-400 psi. The RTP is designed to allow for a Maximum Allowable Operating Pressure of 1,600 psi if needed.

The Commission's grant of the waiver is conditioned on ExxonMobil's compliance with seventeen specific requirements listed in your letter. Based on these conditions, PHMSA does not object to the waiver for the specified line. However, PHMSA recommend modifications to language in Conditions 10 and 16 as described below.

Condition 10 currently reads:

"ExxonMobil must follow its existing **Integrity Management Program Practices**, modifying as needed, for the special permit section, to detect and manage leaks. **The Integrity Management Program (IMP)** must also include **a plan that allows for inspection of the pipe at appropriate intervals to insure there have been no adverse effects**

to the pipe's integrity (and its composite layers) that may have occurred through operation of the pipe."

There are some that may confuse the term "Integrity Management Program" with Gas Transmission Integrity Management in Subpart O, or even Distribution Integrity Management in Subpart P. Neither of these subparts applies to the system subject to the State waiver and considered to be onshore gas gathering. PHMSA proposes this condition be revised to read:

(New) Condition 10:

*"ExxonMobil must follow its existing **plans and procedures applicable to gathering lines**, modifying as needed, for the waiver, to detect and manage leaks. The **plans and procedure**s must also include **provisions that address** inspection of the pipe at appropriate intervals to ensure there have been no adverse effects to the pipe's integrity (and its composite layers) that may have occurred through operation of the pipe."*

Condition 16 currently reads:

"These two pipelines will traverse the entire width of the Mobile Bay Entrance Channel. This will require frequent monitoring by ExxonMobil to eliminate any potential problems that might arise. This will include daily patrolling, and a leakage survey for the first week after installation is complete, followed by quarterly patrols thereafter. If any discharge is found relating to either of the two RTP-inserted pipelines, flow will be terminated immediately and the RTP **will no longer be authorized by this Commission for use in either pipeline.**"

Through additional discussion with the Commission staff, there were concerns that the wording at the end of the last sentence might be too harsh and did not include options for additional testing and return to service with similar RTP pipe, particularly in cases where the discharge (i.e. product release) is relatively minor. At the same time, if the product release is significant additional remedial measures may be needed up to and including replacement with pipe currently approved by 49 CFR Part 192 (as mentioned in Condition 15). Below is suggested wording for Condition 16. PHMSA agrees that the pipe should be sent out for testing, but also leaves it up to the operator and State to discuss and agree on the appropriate measures for return to service of the pipe, depending on the nature of the failure and impact of the release. PHMSA proposes that this condition be revised to read:

(New) Condition 16:

"These two pipelines will traverse the entire width of the Mobile Bay Entrance Channel. This will require frequent monitoring by ExxonMobil to eliminate any potential problems that might arise. This will include daily patrolling and a leakage survey for the first week after installation is complete, followed by quarterly patrols thereafter. If any discharge (i.e. product release) is found relating to either of the two RTP-inserted pipelines, flow will be terminated immediately and the RTP **will be removed or abandoned in place if damaged beyond reasonable repair. If removed, the section of RTP that contains**

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the failure will be sent to an independent laboratory for testing/inspection to determine the exact cause of failure and the results will be reported back to the Commission. The operator and State will discuss options for return to service based on the nature of the failure and results from the independent laboratory testing. Options may include replacement of the affected section of RTP.”

If the Commission includes all of the above measures to ExxonMobil, then there is no need for the Commission to resubmit the waiver request for PHMSA’s review, but is requested to send a copy of the revised ExxonMobil waiver to PHMSA after the final decision.

If you wish to discuss this special permit or any other pipeline safety matter, my staff would be pleased to assist you. Please call Mr. John Gale, Director of Regulations, at 202-366-0434, for regulatory matters or Mr. Kenneth Lee, Director of Engineering and Research at 202-366-2694, for technical matters.

Sincerely,


for = Jeffrey D. Wiese
Associate Administrator for Pipeline Safety