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U.S. Pipelines and Logistics

BP Pipelines (North America) Inc.
28100 Torch Parkway
Warrenville, Illinois 60555

August 10, 2009

Mr. Ivan A. Huntoon
Director, Central Region
U.S. Department of Transportation
PHMSA, Office of Pipeline Safety
901 Locust Street, Suite 462
Kansas City, MO 64106-2641

Re: CPF 3-2009-5009

Dear Mr. Huntoon:

BP Pipelines (North America) Inc. is writing in response to the above referenced notice of probable violation and proposed civil penalty received in our offices on July 20, 2009, regarding the pipeline safety inspections of BP Pipelines' facilities in Ohio the weeks of November 12, 2007 and February 25, 2008.

The allegations of proposed violations in your letter are listed below with BP Pipelines' response following:

1. **§195.406 Maximum operating pressure**

(b) No operator may permit the pressure in a pipeline during surges or other variations from normal operations to exceed 110 percent of the operating pressure limit established under paragraph (a) of this section. Each operator must provide adequate controls and protective equipment to control the pressure within this limit.

BP permitted the pressure in a pipeline to exceed 110 percent of the pipeline's maximum operating pressure. On August 31, 2007, BP experienced an inadvertent valve closure at the Fostoria Station that resulted in the Toledo to Fostoria, Ohio section of the TR 10 pipeline exceeding 110% of its Maximum Operating Pressure (MOP) by 3.7 psi. BP had controls and protective equipment installed on the pump at Toledo, but the pre-determined set pressure and operation of these devices did not prevent the overpressure.

BP Response

This item was identified as a warning item, and BP Pipelines has taken appropriate corrective measures. However, BP Pipelines would like to clarify that at no time did the TR10 pipeline exceed the maximum pressure to which it was designed and tested to operate. The TR10 line from Toledo to Fostoria was designed and tested to operate at a maximum of 1200 psig. During tightline operations through the BP Fostoria, Ohio station, the pumps at the origin of the TR10 line can influence pressures in the downstream NL10, which runs from Fostoria, Ohio south to Lima, Ohio. In June, 2007 BP Pipelines initiated a maximum operating pressure reduction to 903 psig on the TR10 line to account for unverified pipe parameters on NL10. The pressure reduction on the TR10 line was a purely precautionary measure pending the evaluation of the NL10 line.

On August 31, 2007 an inadvertent valve closure at the Fostoria Station caused the TR10 pipeline system to exceed the "reduced" documented maximum operating pressure. Because of the valve closure, the system pressure increase to 997 psig was limited to the TR10 line segment, which as stated above was designed and tested to operate at a maximum of 1200 psig.

As a result of this event, the maximum operation pressure of the TR10 line was reduced by another 10% to avoid future inadvertent over pressurization until further assessment of the pipeline system could take place. BP Pipelines has since completed further assessment and construction activity on the downstream pipeline system (NL10) to quantify all unverified pipe parameters. Based on this work, the system maximum operating pressure has been restored on the TR10 to 1200 psig. The TR10 system has been modeled at the current maximum operating parameters and the surge study confirmed that adequate control equipment and settings are in place to limit surge pressures below 110% of the determined maximum operating pressure. BP Pipelines has reformatted the Maximum Operating Discharge (MODP) letter to more clearly document system maximum operating pressure and associated control point and shutdown pressures.

2. **§195.420 Valve Maintenance**

(a) Each operator shall maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times.

BP did not maintain each valve necessary for the safe operation of its pipeline system in good working condition. During the inspection, valve numbers 2 and 3 on the Lima to Columbus pipeline were not in good working order. At the time of the inspection, the ambient temperature was below freezing. Neither valve could be closed when 2 workmen applied steady pressure to the valve handle. Both valves were slightly closed with tremendous efforts and did not operate freely when re-opened. Your personnel inspected the valves and found water contaminated grease in the above ground valve extension which froze preventing proper operation of the valves.

BP Response

This item has been identified as the basis for the proposed civil penalty. In response, BP Pipelines would like to describe the good faith efforts that we made, both before and after the inspection, to maintain the referenced valves. BP Pipelines believes that these efforts, along with other information provided below, are important for evaluating the civil penalty that has been proposed.

As part of its routine maintenance process, BP Pipelines conducted an inspection of valves 2 and 3 on the SL10 pipeline system in October 2007. These inspections included verification that the valves had been flushed and the gearbox and valve stem were adequately lubricated. At that time, the operation of both valves were documented as being adequate.

During the audit review in February 2008, following the pipeline safety inspections, BP Pipelines learned of the difficulty in valve operation. BP personnel were immediately sent to assess the operation of both valves. Both valves were identified as being able to fully close, but with difficulty. Subsequently in April 2008, valves 2 and 3 were again flushed and re-greased.

Based on this inspection finding, the following activities were completed:

- In April 2008 all additional mainline block valves on the SL10 were inspected to verify the condition and operation of the block valves.
- An Engineering Advisory on winter valve operations was revised and re-communicated in January 2009. This communication provided guidance to ensure that an adequate inspection of mainline block valves is performed in preparation for winter valve operation.
- A job plan was added to the inspection cycle for slab gate valves across the Midwest Region that are susceptible to sustained freezing weather conditions.
- The valve maintenance qualifications of the employee who performed the October 2007 valve inspections on the SL10 were revoked, and the employee was required to demonstrate proper knowledge of the valve inspection process through re-qualification.

Based on this information, BP requests that the proposed penalty be rescinded or reduced.

3. **§195.428 Overpressure Safety Devices and Overfill Protection Systems**

(a) Each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7 1/2 months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

BP did not inspect overpressure safety devices at the Lima Pump Station during the calendar year 2006. At Lima, Ohio, BP had contracted Buckeye Pipeline to inspect, maintain and operate the pumps and control equipment that moves products through BP's SL10, SL8, SL12 and NL8 pipelines. The units at this location are pumps #41, 42, 43, 44, 45 and 46. The inspection records show that during calendar year 2006, Buckeye did not inspect the high pressure shutdown and high pressure case shutdown pressure switches (overpressure protection) for the pumping units. The 2006 inspections were performed in January 2007.

BP Response

This item was identified as a warning item, and BP Pipelines has taken appropriate corrective measures. In May 2008, operation of the Lima Pump Station transitioned from Buckeye Pipeline to BP Pipelines. From this date forward, BP Pipelines has had direct responsibility for the inspection and verification of proper function and reliability of the overpressure protection equipment associated with pumps 41, 42, 43, 44, 45 and 46. Subsequent overpressure protection equipment inspections were conducted in October 2007 (Buckeye), October 2008 (BP) and April 2009 (BP).

4. **§195.440 Public Awareness**

(a) Each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (IBR, see §195.3).

BP did not properly implement its written public education program. BP did not meet the provision of its public education program that required notification of residents/occupants within 2640 feet of its HVL pipelines.

BP's written public education program identifies a stakeholder audience as residents/occupants located adjacent to the liquid pipeline ROW. The plan presents the audience definition as residents/occupants who reside within a defined buffer adjacent to a natural gas and/or hazardous liquid transmission pipeline ROW. Buffer is defined as: 660 feet – Total ¼ mile either side of the pipeline for Non-HVL's and 2640 feet – Total 1 mile either side of the pipeline for HVL's. The targeted audience is residents/occupants. The media method is a Public Awareness mailer with a frequency of two year rotation.

BP operates an HVL pipeline from Toledo, Ohio to Lima, Ohio. During the inspection, it was discovered that BP had only sent public education mailers to residents/occupants living within a 660 feet radius of the pipeline, rather than the required 2640 feet. In response to the inspection, BP mailed public awareness mailers to the un-notified residents/occupants associated with the HVL pipeline.

BP Response

This item was identified as a warning item, and BP Pipelines has taken appropriate corrective measures. The BP operated pipeline system from Toledo, Ohio to Lima, OH transports several product types including

HVL's. Upon verification that public awareness mailers were sent out in 2007 based on a 660 feet radius from the subject pipeline, BP took action. In May 2008, BP sent public education mailers to those residents/occupants within the 2,640 feet radius who were not sent mailers in the 2007 distribution. All residents/occupants within the 2,640 feet radius will receive mailers in 2009 as a part of the ongoing communication cycle. Verification has also taken place to ensure all Ohio District line segments that transport HVL's are properly identified in the public awareness program.

5. **§195.583 What must I do to monitor atmospheric corrosion control?**

You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion...
During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbanded coatings, at pipe supports, in splash zones, at deck penetrations and in spans over water.

BP had not inspected and monitored an exposed portion of pipeline for atmospheric corrosion. During the inspection, an exposure was discovered on the Miami Valley System. At the time of inspection, the exposure was underwater. Due to the seasonal fluctuation of water in this small stream, this exposure could require atmospheric corrosion inspection. The exposure was not on BP's list of areas requiring atmospheric corrosion inspections.

BP Response

This item was identified as a warning item, and BP Pipelines has taken appropriate corrective measures. The identified exposure on the MVL8 line was a new condition; it was not on the inspection list of exposures assessed in 2006. The exposure location was visited in July 2008 when the water level in the creek had subsided but the pipe was found to be buried under creek bed material. A thorough inspection was scheduled for August 2008, during which the pipe was excavated. Inspection results indicated that the pipe was in satisfactory condition but needed recoating. Repair activity continued in August 2008 as the pipe was fully exposed, sand blasted, and recoated. The pipe was subsequently covered with sand and protected from future erosion by being covered with a gabion basket.

BP Pipelines respectfully requests a hearing to contest the alleged violations and proposed civil penalties associated with item 2, above. BP Pipelines will be represented by counsel at the hearing.

BP Pipelines remains committed to working cooperatively with your office with the ultimate goal of further enhancing the safety of our operations. Please feel free to contact me directly, or alternatively Rob Knanishu (630-836-3498), should you have any questions pertaining to this matter.

Sincerely,

David Barnes

David O. Barnes
Manager DOT & Integrity
BP Pipelines (North America), Inc.

Enclosure:
EM-2009-001, Slab Gate Valves Cold Weather Maintenance

Engineering Advisory
US Pipelines and Logistics

Title: Slab Gate Valve Cold Weather Maintenance

Issue No. EM-2009-001 January 2009

Background: Position indicators on mainline slab gate valves have been identified as a potential leak path for rain. Water in the stem, gear box and yoke area may freeze in cold weather and prevent the valve from operating or contribute to overstressing the hand wheel/gearbox when attempting to close a frozen valve.

Detail: On rising stem slab gate valves, an indicator rod extends above the top of the valve providing visual indication of the valve position as required by DOT regulations. The indicator rod is attached to the top of the valve stem and slips through a seal in the stem protector. The seal design varies and can be as simple as a rubber grommet on early valves. Through normal wear or abnormal wear caused by excessive painting of the stem indicator rod, the seal becomes damaged and allows rain to enter the valve stem area. A retrofit kit is available for M & J valves to replace the indicator rod seal. The retrofit kit is shown in the attached figure.

In the event that water does enter the valve stem/gearbox/ yoke assembly it can be drained by removing the plug at the bottom of the yoke as shown in the figure below. A new job plan for the cold weather maintenance of mainline block valves has been generated that includes draining the yoke.

Recommendation:

- If a retrofit kit for the indicator rod seal is available from the manufacturer, the kit should be installed on all mainline slab gate valves
- Regions that experience freezing weather conditions for more than a day or two should follow the cold weather slab gate job plan - VLVB1880 to minimize the amount of trapped water in the stem/gearbox/yoke area.
- When painting a slab gate valve with a stem position indicator rod take care to mask the indicator rod to prevent the build-up of paint which could damage the seal or grommet, and to remove the masking after painting.

Further information on valve maintenance can be found in the Approved Valve Maintenance Standard located on the I drive, under the MET folder , Maintenance Standard subfolder. Mark Sesselman, email: sesselmb@bp.com. (630)-836-3551 is the Valve Technical Authority for Pipelines.

7. FIELD CONVERSION OF POSITION INDICATOR ROD AND SEAL ASSEMBLY

A new improved position indicator rod and seal assembly consisting of a ⅝" stainless steel rod (1), a self aligning seal assembly (2), and new stem protector cap (3) are available in conversion kit A-147735.* Upon receipt of the kit,

7.1 Remove stem protector (4) and cap (3) as a unit.

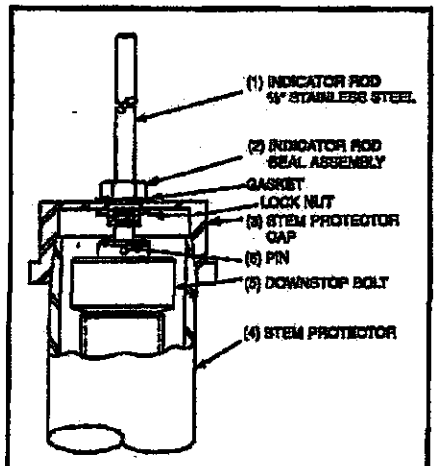
7.2 Remove indicator rod retainer pin (6) from down-stop bolt (5).

7.3 Replace old anodized aluminum rod with new ⅝" stainless steel rod. Replace pin (6). (M-3 and M-33 valves will require replacement of down stop bolt in addition to the indicator rod.)

7.4 Screw new cap (3) with integral seal assembly (2) onto existing stem protector (4). (M-3 and M-33 will require new stem protectors.)

7.5 Slip stem protector (4) with new cap (3) over the new indicator rod (1) and screw to operator housing.

*M-3 and M-33 valves order new downstop bolts and stem protectors.



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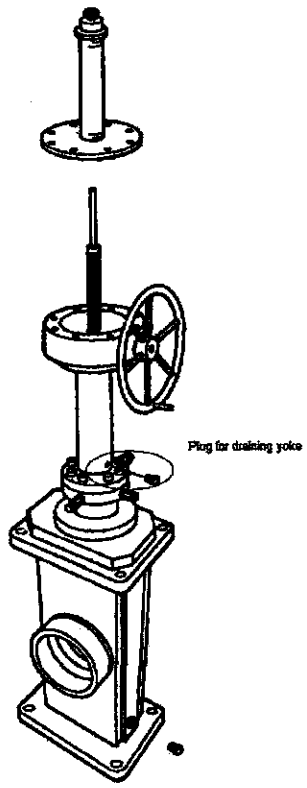

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