

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

July 11, 2016

Thomas Hardison, Vice President
Portland Pipe Line Corporation
30 Hill Street
South Portland, ME 04106

CPF 1-2016-5005M

Dear Mr. Hardison:

From July 14 through July 16, 2015, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Portland Pipe Line Corporation's (Portland) pipeline facility in South Portland, Maine.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Portland's plans or procedures, as described below:

1. § 195.402(c)(3)

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

Portland's procedures for operating, maintaining and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part are inadequate for overpressure safety devices. Specifically, the procedures fail to provide sufficient guidance on how to conduct and document relief valve inspections as per §195.428(a).

During the inspection, the PHMSA inspector reviewed pressure control inspection and testing procedures – Portland O&M Section 6 - Maintenance; revised 06/15, and the pressure control inspection and testing records for 2014.

Portland's procedure, Section 6 - Maintenance, did not provide sufficient guidance on conducting and documenting a relief valve inspection.

In order to ensure that a relief valve will relieve at the specified set pressure when needed, data is needed on the condition of the valve prior to the inspection (“as found”), as well as on the condition of the valve after the inspection is completed (“as left”). Information typically documented includes:

1. The relief pressure of the valve in the “as found” condition
2. The relief pressure of the valve in the “as left” condition
3. The “set point”

Portland’s procedure did not include any requirements for capturing either the “as found” or “as left” pressure of a relief device. In addition, the procedure lacked details such as:

1. The criteria for determining acceptable “as-found” / “as left” relief pressures
2. The actions that must be taken if the relief valve “as-found” pressure does not meet the criteria
3. The definition of the term “set point”
4. The documentation required and where it must be recorded, for example:
 - a. The information that must be captured in the Protective Device Testing record
 - b. Where the “as-found” and “as-left” pressures are recorded
5. How to ensure that the MOP will not be exceeded during testing of the relief device

2. § 195.402(c)(3)

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

Portland’s procedures for operating, maintaining and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part are inadequate for determining MOP. Specifically, Portland’s procedure lacks details on how the maximum operating pressure (MOP) is determined in accordance with §195.406(a).

During the inspection, the PHMSA inspector reviewed Portland Pipeline’s O&M, Section 4.2.7.1 “Maximum Pipe Joint MAOP” dated 2-2015. The procedure lacks details such as:

1. The criteria used to establish the MOP
2. How the internal design pressure of the pipe is determined, in accordance with §195.106
3. How the surge pressure requirements are met, per §195.406
4. The documentation and retention requirements for MOP records

Portland Pipe Line was unable to provide any relevant procedures in their O&M which demonstrated how the Operator established its MOP.

3. § 195.402(c)(3)

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

Portland's procedures for operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part are inadequate in that they do not properly address the maintenance of mainline valves as per §195.420. Specifically, Portland's procedures do not contain a process for ensuring deficiencies found during mainline valve inspections are remediated.

During the inspection, the PHMSA inspector reviewed Portland O&M Section 6 – Maintenance, 6.7.3 “Block Valves.” The procedure lacked adequate guidance such as:

1. The process for ensuring that results of the inspection are documented, e.g. who is responsible for documentation entry / approval
2. The process for ensuring that deficiencies found during inspections are remediated, for example:
 - a. What is the criteria for determining the timeframe for remediation
 - b. Who is responsible for approving the proposed remediation work and the timeframe
3. How the work is documented, e.g. forms / work orders

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.

It is requested (not mandated) that Portland maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 1-2016-5005M** and, for each document you submit, please provide a (signed) copy in electronic format whenever possible. Smaller files may be emailed to Byron.Coy@dot.gov. Larger files should be sent on a CD accompanied by the original (signed) paper copy to the Eastern Region Office.

Sincerely,

Byron Coy, P.E.
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

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