

## WARNING LETTER

### **CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

April 18, 2013

Mr. Mike Pearson  
Vice President, Technical Services  
Magellan Pipeline Company, L.P.  
One Williams Center  
Tulsa, OK 74172

Dear Mr. Pearson:

**CPF 4-2013-5010W**

On multiple occasions between July 16 and October 24, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code was onsite and inspected your Longhorn Pipeline facilities from El Paso, TX to Houston, TX.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

**1. 195.589 What corrosion control information do I have to maintain?**

**(c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to §§ 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.**

Magellan failed to maintain a record of each Pipe to Soil (P/S) Cathodic Protection (CP) survey in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. Specifically, Magellan failed to

record seven (7) of the pipe to soil potentials taken at Cottonwood Station on the station piping.

These locations include:

1. Incoming Mainline Block Valve
2. Receiver Bypass Riser
3. Receiver Kicker Riser
4. Check Valve Inlet Riser
5. Check Valve Outlet Riser
6. Launcher Kicker Riser
7. Launcher Bypass Riser
8. Outgoing Mainline Block Valve

Upon reviewing the historical CP reads for Cottonwood, PHMSA staff noted that only a single read was being recorded as “MP 576.320 Cottonwood Station Gate Valve.” This description doesn’t adequately describe this location as there are two electrically discontinuous gate valves at Cottonwood. Magellan personnel confirmed that they had in fact tested all eight (8) locations but only the lowest read was recorded.

PHMSA staff reviewed the CP records for this portion of the line and identified that whereas Cottonwood only had a single read; other locations such as Crane Station were identified as a separate Pipeline “Segment” with station reads being recorded by different milepost identifiers. Magellan personnel on site confirmed there procedural requirement was to record each read separately and not just a summary read.

Magellan’s procedure 7.04-ADM-001 Corrosion Control Program section 2.6.3 states:

“2.6.3 Pipe-to-soil readings shall be obtained at pre-assigned locations identified as necessary to determine the adequacy of cathodic protection. These locations can include, but are not limited to, test stations, cased crossings, and above ground appurtenances. Refer to Measuring a Pipe-to-Soil Potential for more information.”

In an email dated February 20, 2013, Magellan provided records showing the changes to their database that allowed them to record each reading. This was accomplished by adding Milepost placeholders where prior inspections had been made on their above ground appurtenances in the pipeline data rather than creating a separate “Segment” just for Cottonwood station.

The additions to the “Test Point Inspections” record include:

1. MP 576.320 Cottonwood Station Gate Valve Incoming
2. MP 576.321 Incoming Pigtrap Bypass Riser

3. MP 576.322 Incoming Pigtrap Kicker Riser
4. MP 576.323 Check Valve Inlet Riser
5. MP 576.324 Check Valve Outlet Riser
6. MP 576.325 Incoming Pigtrap Bypass Riser
7. MP 576.326 Incoming Pigtrap Kicker Riser
8. MP 576.327 Cottonwood Station Gate Valve Outgoing

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Magellan being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2013-5010W**. 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).

Sincerely,

R. M. Seeley  
Director, Southwest Region  
Pipeline and Hazardous Materials Safety Administration

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