

**March 19, 2015**

Mr. Michael Mears  
President and CEO  
Magellan Pipeline Company, LP  
One Williams Center  
Tulsa, OK 74172

**Re: CPF No. 4-2014-5004**

Dear Mr. Mears:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and specifies actions that need to be taken by Magellan Pipeline Company, LP, to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Southwest Region, this enforcement action will be closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Mr. R. M. Seeley, Southwest Region Director, OPS  
Mr. Michael Pearson, Senior Vice President, Technical Services, Magellan Pipeline Company, LP

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

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<b>In the Matter of</b>	)	
	)	
<b>Magellan Pipeline Company, LP,</b>	)	<b>CPF No. 4-2014-5004</b>
	)	
<b>Respondent.</b>	)	
	)	

**FINAL ORDER**

On March 26, 2014, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site inspection of welder qualifications and records of Magellan Pipeline Company, LP (Magellan or Respondent), related to the company’s BridgeTex Pipeline construction project. The welder qualifications were observed at Maverick Testing Laboratories, Inc., in La Porte, Texas. Magellan operates approximately 9,500 miles of refined products pipelines with 53 connected terminals in 15 Midwestern states.<sup>1</sup>

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated April 4, 2014, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Magellan had violated 49 C.F.R. § 195.222 and proposed ordering Respondent to take certain measures to correct the alleged violations.

Respondent failed to respond to the Notice. Under 49 C.F.R. § 190.209(c), such failure to respond constitutes a waiver of Magellan’s right to contest the allegations in the Notice and authorizes the Associate Administrator, without further notice, to find facts as alleged in the Notice and to issue this Final Order under § 190.213. In this case, the Notice was mailed to Respondent by certified mail (USPS Article No. 7007 0710 0002 1372 1435) on April 4, 2014, and was received by Respondent on April 16, 2014, as shown by the return receipt on file with PHMSA. To date, Respondent has not acknowledged or responded to the Notice. Under such circumstances, I find it reasonable and appropriate to enter this Final Order without further proceedings.<sup>2</sup>

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<sup>1</sup> See [http://www magellanlp.com](http://www.magellanlp.com) (last accessed December 10, 2014).

<sup>2</sup> In the Matter of Tampa Pipeline Corporation, Final Order (CPF No. 2-2008-6002] (April 26, 2010), 2010 WL 6531627, (D.O.T.), August 27, 2010; See also, In the Matter of Tampa Bay Pipeline Corporation, Final Order (CPF

## FINDINGS OF VIOLATION

Magellan did not contest the allegations in the Notice that it violated 49 C.F.R. Part 195, as follows:

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 195.222(a), which states:

**§ 195.222 Welders: Qualification of welders.**

(a) Each welder must be qualified in accordance with section 6 of API 1104 (incorporated by reference, *see* § 195.3) or section IX of the ASME Boiler and Pressure Vessel Code, (incorporated by reference, *see* § 195.3) except that a welder qualified under an earlier edition than listed in § 195.3 may weld but may not re-qualify under that earlier edition.

The Notice alleged that Respondent violated 49 C.F.R. § 195.222(a) by failing to properly qualify each of its welders. Specifically, the Notice alleged that Magellan qualified welders using a lower grade of pipe than was required by its qualification procedure. Section 6 of API 1104 and section IX of the ASME Boiler and Pressure Vessel Code require welders to be qualified in accordance with a qualified welding procedure.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.222(a) by failing to properly qualify each of its welders.

**Item 2:** The Notice alleged that Respondent violated 49 C.F.R. § 195.222(a), as quoted above, by failing to qualify one of its welders, K. Rogers, in accordance with section 6 of API 1104 or section IX of the ASME Boiler and Pressure Vessel Code. Under those standards, a welder must be qualified by making one or more test welds on pipe covered by a procedure that has also been qualified. In this case, the Notice alleged that Magellan's welder was tested on API 5L X42 pipe, as witnessed by a PHMSA inspector, but the qualified procedure being used by Magellan for the test, *WPS MAG-60-F-G1 & 2*, actually covered different grades of pipe (API material grades  $\geq$ X46 - X60).

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.222(a) by failing to qualify one of its welders in accordance with section 6 of API 1104 or section IX of the ASME Boiler and Pressure Vessel Code.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

### **COMPLIANCE ORDER**

The Notice proposed a compliance order with respect to Items 1 and 2 in the Notice for violations of 49 C.F.R. § 195.222(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids by pipeline or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 195.222(a) (**Items 1 and 2**), Respondent must re-qualify all welders who were not qualified using the materials and parameters prescribed by the qualification procedure of record. Magellan must notify the Director 48 hours prior to any re-qualification to allow a PHMSA inspector to be present for all qualifying tests.
2. Respondent must review the BridgeTex project and determine which welders worked on the pipeline without being properly qualified, and must identify the welds associated with each of these welders. Respondent must provide documentation of the findings of this review to the Director, Southwest Region.
3. Respondent must correct all welder qualification records to properly reflect the grade of materials that were used to qualify the welder. Welder qualifications that did not qualify within the parameters expressly prescribed by the procedure of record must be rejected.
4. Respondent must provide documentation to demonstrate completion of the above items to the Director, Southwest Region, within 60 days following receipt of this Final Order.
5. PHMSA requests that Respondent maintain documentation of the safety improvement costs associated with fulfilling this compliance order and submit the total to the Director, Southwest Region, OPS. These costs should be reported in two categories: (a) total cost associated with preparation/revision of plans, procedures, studies and analyses; and (b) total cost associated with replacements, additions, and other changes to pipeline infrastructure.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

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Date Issued