

## NOTICE OF AMENDMENT

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 11, 2016

Mr. Troy Valenzuela  
VP, Environmental Health & Safety  
Plains Pipeline, L.P.  
333 Clay Street, Suite 1600  
Houston, TX 77002

**CPF 4-2016-5018M**

Dear Mr. Valenzuela:

On February 18, 2014 – August 29, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Plains Pipeline, L.P. (Plains) procedures and records for their pipeline facilities in the States of Louisiana, Illinois, Oklahoma, New Mexico, and Texas.

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

**1. § 195.452 Pipeline integrity management in high consequence areas.**

**(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:**

**(4) Criteria for remedial actions to address integrity issues raised by the assessment methods and information analysis (see paragraph (h) of this section);**

- (1) The operator needs to revise its procedure, "Procedure for the Assessment of In-Line Inspection (ILI) Result," Appendix B, page 21 of 41 for anomaly selection Category 3

which outlines additional conditions that need be reviewed for possible digs. Item (1) in category 3 list “Additional anomalies for tool verification or inspection” for possible dig selection. The procedure does not define in detail what “tool verification” means nor does it specify this process to be performed in a HCA or non-HCA location. Plains needs to better define in detail a process for validating ILI tool results.

- (2) The operator needs to revise its Integrity Management Plan, Appendix E, “In-Line Inspection Tool Specifications,” page E5, which defines Plain’s Data Acceptance Criteria. The procedure states, “All tools shall meet the ILI Vendors acceptance criteria and Plain acceptance criteria.” The procedures do not contain the vendor’s acceptance criteria; and Plain’s does not define in detail their company acceptance criteria for a successful ILI run.

## 2. § 195.452 Pipeline integrity management in high consequence areas.

**(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:**

**(8) A process for review of integrity assessment results and information analysis by a person qualified to evaluate the results and information (see paragraph (h)(2) of this section).**

Upon Reviewing individual qualification requirements for Sr. Pipeline Integrity Specialist, Jami B. Horton, it was determined that the operator’s IM procedures, Table 7-1 – “Key Personnel Requirements” did not contain a Sr. Pipeline Integrity Specialist job title/description for persons qualified to evaluate the results and information contained within an integrity assessment.

Table 7-1 was revised on September 21, 2015 to include current job titles for company personnel qualified to review and evaluate integrity assessments results.

## 3. § 195.452 Pipeline integrity management in high consequence areas.

**(h) What actions must an operator take to address integrity issues? —(1) General requirements . An operator must take prompt action to address all anomalous conditions the operator discovers through the integrity assessment or information analysis. In addressing all conditions, an operator must evaluate all anomalous conditions and remediate those that could reduce a pipeline's integrity. An operator must be able to demonstrate that the remediation of the condition will ensure the**

**condition is unlikely to pose a threat to the long-term integrity of the pipeline. An operator must comply with § 195.422 when making a repair.**

**(i) *Temporary pressure reduction* . An operator must notify PHMSA, in accordance with paragraph (m) of this section, if the operator cannot meet the schedule for evaluation and remediation required under paragraph (h)(3) of this section and cannot provide safety through a temporary reduction in operating pressure.**

**(ii) *Long-term pressure reduction* . When a pressure reduction exceeds 365 days, the operator must notify PHMSA in accordance with paragraph (m) of this section and explain the reasons for the delay. An operator must also take further remedial action to ensure the safety of the pipeline.**

Plains' Integrity Management (IM) Plan procedure, "Conducting Assessment/Results Review," section 6.3, page 6-9 makes reference that OPS will be notified if a Safety-Related Condition is determined to exist and when an Immediate Repair Condition cannot be achieved.

The procedure, "Conducting Assessment/Results Review," section 6.3 states,

*"If a Safety-Related Condition is determined to exist and a report is required, EH&S will notify OPS"; and*

*"When immediate response time to Immediate Repair Conditions cannot be achieved, Plains will notify OPS in accordance with Section 6.7 to determine an appropriate course of action".*

PHMSA reviewed the procedure and Plains needs to remove the reference to "OPS" and replace with "PHMSA." This would align procedure with the Pipeline Safety Regulations, Title 49, Code of Federal Regulations.

The procedure, "Conducting Assessment/Results Review," section 6.7 states,

*"Required notifications to the PHMSA will be submitted for the following reasons:*

- Intent to use technology...*
- Inability to meet required remediation schedule*
- Re-assessment interval...*

PHMSA reviewed the procedure and Plains needs to revise second bullet wording to state, "Inability to meet required evaluation and remediation schedule, and cannot provide safety through temporary reduction in operating pressure." This would align procedure with the Pipeline Safety Regulations, Title 49, Code of Federal Regulations.

## 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 45 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 Plains Pipeline, L.P. maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2016-5018M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

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