

## NOTICE OF AMENDMENT

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 11, 2010

Mr. Robert Rose  
President  
Tampa Pipeline Corporation  
P.O. Box 35236  
Sarasota, FL 34242

**CPF 2-2010-6001M**

Dear Mr. Rose:

On April 20-23, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected The Pipelines of Puerto Rico (PPR) procedures for Integrity Management in Carolina, Puerto Rico.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within PPR procedures, as described below:

- 1. §195.452(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).**

The PPR Integrity Management Plan does not specify the qualification requirements for individuals to review and evaluate assessments results.

2. **§195.452(g) What is an information analysis? In periodically evaluating the integrity of each pipeline segment (paragraph (j) of this section), an operator must analyze all available information about the integrity of the entire pipeline and the consequences of a failure. This information includes:**

- (1) Information critical to determining the potential for, and preventing, damage due to excavation, including current and planned damage prevention activities, and development or planned development along the pipeline segment;**
- (2) Data gathered through the integrity assessment required under this section;**
- (3) Data gathered in conjunction with other inspections, tests, surveillance and patrols required by this Part, including, corrosion control monitoring and cathodic protection surveys; and**
- (4) Information about how a failure would affect the high consequence area, such as location of the water intake.**

The PPR Integrity Management Plan does not require that other data sources be integrated and analyzed with the information from pressure testing results.

3. **§195.452(j) What is a continual process of evaluation and assessment to maintain a pipeline's integrity?**

**(5) Assessment methods. An operator must assess the integrity of the line pipe by any of the following methods. The methods an operator selects to assess low frequency electric resistance welded pipe or lap welded pipe susceptible to longitudinal seam failure must be capable of assessing seam integrity and of detecting corrosion and deformation anomalies.**

- (i) Internal inspection tool or tools capable of detecting corrosion and deformation anomalies including dents, gouges and grooves;**
- (ii) Pressure test conducted in accordance with subpart E of this part;**
- (iii) External corrosion direct assessment in accordance with § 195.588; or**
- (iv) Other technology that the operator demonstrates can provide an equivalent understanding of the condition of the line pipe. An operator choosing this option must notify OPS 90 days before conducting the assessment, by sending a notice to the address or facsimile number specified in paragraph (m) of this section.**

The PPR Integrity Management Plan does not have a documented process for continued evaluation and assessment to maintain pipeline integrity.

4. **§195.452(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.**

The PPR Integrity Management Plan does not have a documented process for addressing all anomalous conditions that are discovered through integrity assessment or information analysis.

- 5. §195.452(e) What are the risk factors for establishing an assessment schedule (for both the baseline and continual integrity assessments)?**

**(1) An operator must establish an integrity assessment schedule that prioritizes pipeline segments for assessment (see paragraphs (d)(1) and (j)(3) of this section). An operator must base the assessment schedule on all risk factors that reflect the risk conditions on the pipeline segment.**

The PPR risk analysis process was not adequately developed in identifying the factors related to likelihood and consequences.

- 6. §195.452(i) What preventive and mitigative measures must an operator take to protect the high consequence area?**

**(1) General requirements. An operator must take measures to prevent and mitigate the consequences of a pipeline failure that could affect a high consequence area. These measures include conducting a risk analysis of the pipeline segment to identify additional actions to enhance public safety or environmental protection. Such actions may include, but are not limited to, implementing damage prevention best practices, better monitoring of cathodic protection where corrosion is a concern, establishing shorter inspection intervals, installing EFRDs on the pipeline segment, modifying the systems that monitor pressure and detect leaks, providing additional training to personnel on response procedures, conducting drills with local emergency responders and adopting other management controls.**

The PPR Integrity Management Plan did not have a documented process to identify preventive and mitigative actions.

- 7. §195.452(j) What is a continual process of evaluation and assessment to maintain a pipeline's integrity?**

**(1) General. After completing the baseline integrity assessment, an operator must continue to assess the line pipe at specified intervals and periodically evaluate the integrity of each pipeline segment that could affect a high consequence area.**

The PPR Integrity Management Plan does not have a documented process for performing periodic integrity evaluations of pipeline integrity.

8. **§195.452(k) What methods to measure program effectiveness must be used? An operator's program must include methods to measure whether the program is effective in assessing and evaluating the integrity of each pipeline segment and in protecting the high consequence areas. See Appendix C of this part for guidance on methods that can be used to evaluate a program's effectiveness.**

The PPR Integrity Management Plan does not have a documented process for measuring whether the program is effective in assessing and evaluating the integrity of the pipeline.

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.

In correspondence concerning this matter, please refer to **CPF 2-2010-6001M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Linda Daugherty  
Director, Southern Region  
Pipeline and Hazardous Materials Safety Administration

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