U.S. Department
of Transportation

Eastern Region-PHP-100
Office of Pipeline Safety

409 3rd St. S.W.
Suite 300
Washington, D.C. 20024

**Pipeline and
Hazardous Materials
Safety Administration**

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 11, 2008

John Pickering
Vice President and General Manager
Valero Energy Corporation
One Valero Way
San Antonio, TX 78249-1616

CPF 1-2008-1002M

Dear Mr. Pickering:

During the week of May 29, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Valero Natural Gas Pipeline Company's (Valero) procedures for periodically reviewing work of personnel to determine the adequacy of its operating and maintenance procedures and monitoring odorant levels of transmission line gas at the Paulsboro, New Jersey refinery.

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

1. **§192.605 Procedural manual for operations, maintenance and emergencies.**

   (b) ***Maintenance and normal operations.*** **The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**

(8) Periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance and modifying the procedure when deficiencies are found.

Procedures need to be developed to address §192.605(b) (8). The procedures should identify the responsible person(s) to review the work done by operating personnel, and to determine the effectiveness of the procedures and what corrective action will be taken when deficiencies are identified.

2. §192.625 Odorization of gas.

(f) To assure the proper concentration of odorant in accordance with this section, each operator must conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable

Valero procedures state:

Periodic sampling . . .will be conducted using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable.

The Odorization Procedure (Proc. 240, sec. A.5) fails to specify the type of instrument Valero employs in this function, and it also fails to specify an interval to guide personnel on the test frequency to verify the adequacy of the odorant level in the gas stream.

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 [number of days] 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 1-2008-1002M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

For Mark Weetoff

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

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