



**U.S. Department  
Of Transportation  
Pipeline and  
Hazardous Materials  
Safety Administration**

820 Bear Tavern Road, Suite 103  
West Trenton, NJ 08628  
**609.989.2171**

## **NOTICE OF AMENDMENT**

### **OVERNIGHT EXPRESS DELIVERY**

September 2, 2015

Mr. Peter Pirog  
Vice President & General Manager  
MIPC, LLC  
920 Cherry Tree Road  
Aston, PA 19014

**CPF 1-2015-5014M**

Dear Mr. Pirog:

From April 21 through April 25, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected MIPC, LLC's (MIPC) procedures for Operations and Maintenance in Aston, Pennsylvania.

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

- 1. §195.402 Procedural manual for operations, maintenance, and emergencies.**
  - (a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**

MIPC's procedures were inadequate in that they failed to state which edition of API 653 was being referenced as per §195.3.

During the inspection, the PHMSA inspector reviewed MIPC's procedures for Aboveground Tanks, F-37, issued 12/2011. In both Section 5 - "API 653 Inspections" and the "References" section of the procedure, API 653 is cited; however, the edition being utilized by the procedure is not listed.

**2. §195.402 Procedural manual for operations, maintenance, and emergencies.**

- (a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**

MIPC's procedures were inadequate in that they failed to address how the physical integrity of breakout tanks, specifically the internal inspections that are required by API 653 (incorporated by reference) as per §195.432(b), is assessed.

During the inspection, the PHMSA inspector reviewed MIPC's procedures for Aboveground Tanks, F-37, issued 12/2011 and the Comprehensive Scheduling Chart (Document MP-ALL-REF-MP-005 Rev 0). Neither procedure F-37, nor the scheduling chart, describes what is required of MIPC to perform an internal inspection of a breakout tank.

After reviewing the procedure, the PHMSA inspector asked MIPC how internal inspections of breakout tanks were performed. MIPC's Maintenance Lead, provided Section 35 of the Maintenance Manual to show that local operations personnel are responsible for coordinating internal tank inspections, and also provided MIPC's Tank Assessment History. This document shows the most recent external inspection date and the due dates of the next external tank inspections, along with the next scheduled internal tank inspections.

There is no detailed guidance provided on inspection criteria, how to conduct an internal inspection, how to determine the internal inspection interval, or how to document the inspection.

**3. §195.402 Procedural manual for operations, maintenance, and emergencies.**

- (a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**

MIPC's procedures were inadequate in that they failed to describe how MIPC actually inspects the surface conditions of its pipeline right-of-way as per §195.412(a).

During the inspection, the PHMSA inspector reviewed MIPC's procedures for Pipeline Right of Way, F-25, issued 12/2011 and the Comprehensive Scheduling Chart (Document MP-ALL-REF-MP-005 Rev 0). Procedure F-25 describes multiple methods of inspecting the ROW including air patrol, vehicle patrol, or traversing the pipeline route by walking or other mechanical method (e.g. boat, swamp buggy). MIPC's Maintenance Lead stated that MIPC does not perform the procedure exactly as described in F-25. He stated that MIPC flies the pipeline ROW at least 26 times per year. They also drive the route once per month (vehicle inspection), and they walk the entire pipeline route once every three years.

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 **90** 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 MIPC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Byron Coy, PE, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 1-2015-5014M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

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