

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 9, 2015

Mr. Ronald McClain
President
Products Pipelines
1001 Louisiana St., Suite 1000
Houston, TX 77002

CPF 2-2015-6001W

Dear Mr. McClain:

On December 8-11, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, inspected the Central Florida Pipeline Corporation (CFPL) refined products pipeline from Tampa to Orlando, Florida.

As a result of the inspection, it appears that CFPL have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are as follows:

- 1. §195.573 What must I do to monitor external corrosion control?**
... (e) Corrective action. You must correct any identified deficiency in corrosion control as required by Sec. 195.401(b). However, if the deficiency involves a pipeline in an integrity management program under Sec. 195.452, you must correct the deficiency as required by Sec. 195.452(h).

CFPL did not correct corrosion control deficiencies identified at three different locations as required by §195.401(b).

A review of CFPL's 2011 through 2013 annual cathodic protection (CP) survey pipe-to-soil readings revealed two locations on the 10-inch pipeline, and one location on the 16-inch pipeline with deficiencies (i.e. less negative than - 0.85V) that were not corrected for several years as listed below:

CFPL 10-inch Pipeline, Line Section Name: Kissimmee, Milepost 81.400

12/11/2011: No CP potentials recorded
12/02/2012: 0.000 V
10/18/2013: No CP potentials recorded
12/13/2013: -1.325 V (CFPL repaired and retested test station)

CFPL 10-inch pipeline, Line Section Name: Tampa, Milepost 3.852

12/09/2011: 0.033 V
12/10/2012: -0.398 V
10/15/2013: 0.110 V
12/13/2013: -1.695 V (CFPL repaired and retested test station)

CFPL 16-inch Pipeline, Line Section Name: Pinecrest, Milepost 20.076

12/02/2011: -0.600 V
12/04/2012: -0.606 V
10/21/2013: -0.556 V
12/12/2013: -1.325 V (CFPL repaired and retested test station)

2. **§195.589 What corrosion control information do I have to maintain?**
... (c) **You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to Secs. 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.**

CFPL did not provide a record or other documentation to demonstrate that it had inspected the internal surface of the 8-inch ITE pipeline for evidence of internal corrosion as required by Subpart H.

CFPL personnel performed pipe inspections on five sections of the ITE 8-inch pipeline as part of a pipeline construction project and documented the work on the *Kinder Morgan Pipeline Inspection/Repair Report*, form L-OM200-02 for each inspection. The OPS inspector reviewed these pipe inspection reports and found that CFPL did not properly document the inspection of the pipeline's internal surface for evidence of corrosion at one of the five locations. Records documenting the inspection of the internal pipe surface for internal corrosion as required by §195.579(c) must be retained for as long as the pipeline remains in service.

Under 49 United States Code, § 60122, Central Florida Pipeline Corporation is subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided

not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in Central Florida Pipeline Corporation being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 2-2015-6001W**. 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).

Sincerely,

Wayne T. Lemoi
Director, Office of Pipeline Safety
PHMSA Southern Region