

January 25, 2022

Via Electronic Mail to: Gregory.Ochs@dot.gov

Mr. Gregory A. Ochs, Director
Central Region, Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Suite 480
Kansas City, MO 64106

Re: CPF 3-2021-067

Dear Mr. Ochs,

Magellan Pipeline Company, L.P. (“Magellan”) received a Notice of Probable Violation and Proposed Civil Penalty on October 20, 2021. In response to Probable Violations 2 and 3 and the Proposed Civil Penalties, Magellan does not contest the allegations in general, but has discovered additional documentation from the Operator of Record, DCP Midstream (“DCP”), to reduce the number of allegations, and hereby submits the same for PHMSA’s consideration. Additionally, Magellan, with help from DCP, is providing an explanation relevant to the proposed penalty as outlined in Response Option #2 of the Response Options for Pipeline Operators in Enforcement Proceedings.

2. § 195.573 - What must I do to monitor external corrosion control?

(a) Protected pipelines. You must do the following to determine whether cathodic protection required by this subpart complies with § 195.571:

(1) Conduct tests on the protected pipeline at least once each calendar year, but with intervals not exceeding 15 months. However, if tests at those intervals are impractical for separately protected short sections of bare or ineffectively coated pipelines, testing may be done at least once every 3 calendar years, but with intervals not exceeding 39 months.

Magellan failed to conduct tests on the protected pipeline at least once each calendar year, but with intervals not exceeding 15 months. A review of Magellan’s corrosion-control records showed 46 missing cathodic protection inspections and 3 inspections exceeding 15 months on the Odessa to El Paso Unit.

MAGELLAN RESPONSE:

The applicable portions of the Odessa to El Paso Unit cited in Probable Violation 2 were leased to another operator, DCP from July 3, 2013 to July 31, 2019, with the exception of three test stations installed after Milepost 113.3. Magellan filed the Operator Registry Notification in 2013 regarding DCP’s status as Operator of Record, and again in 2019 when Magellan resumed as Operator of Record. DCP’s review of the corrosion control records confirms that Magellan was not the Operator of Record for the test stations corresponding to 43 of the 46 missing readings

identified during the inspection for the time frame encompassed by Probable Violation 2. The missing test readings from 2017 at MP 113.8, MP 113.88 and MP 113.9 were not installed until 2018 thus there were no missing records associated with these locations.

Magellan subsequently coordinated with DCP regarding the PHMSA identified missing corrosion control records. Additional records were located, provided to Magellan, and have been included in Appendix A. A summary table included at the end of Appendix A identifies remaining findings and those addressed by the records included in Appendix A.

Upon expiration of the lease agreement with DCP, Magellan conducted all required inspections in accordance with 49 CFR §195.573(a)(1). Magellan respectfully requests that PHMSA adjust the Proposed Civil Penalty Worksheet to reflect the new information provided by DCP.

3. § 195.573 - What must I do to monitor external corrosion control?

c) Rectifiers and other devices. You must electrically check for proper performance each device in the first column at the frequency stated in the second column.

Device	Check Frequency
Rectifier	At least six times each calendar year, but with intervals not exceeding 2 1/2 months.
Reverse current switch	
Diode	
Interference bond whose failure would jeopardize structural protection	At least once each calendar year, but with intervals not exceeding 15 months.
Other interface bond	

Magellan failed to electrically check for proper performance of rectifiers at least six times each calendar year, at intervals not to exceed 2½ months. As identified during the PHMSA inspection of Magellan’s corrosion-control records, 15 checks were not completed on the following rectifier:

- Line Segment 6936, MP 107.955 - Missing 15 readings in 2017, 2018 and 2019.

Magellan also failed to electrically check for the proper performance of critical interference bonds at least six times each calendar year, at intervals not to exceed 2½ months and other interference bonds at least once each calendar year, but with intervals not exceeding 15 months. As identified during the inspection of Magellan’s corrosion-control records, a total of 9 checks were missed. There were 3 checks not completed on the following critical bond and 6 checks were not completed on the other interference bonds as listed below.

Critical Bond:

- Line Segment 6936, MP 88.07 - Missing the first 3 reading of 2019, considered non-critical after 8/6/2019.

Non-critical bonds:

- Line Segment 6936, MP 49.595 - Missing readings in 2017 and 2018, a total of 2 checks.
- Line Segment 6936, MP 100.887 - Missing readings in 2017 and 2018, a total of 2 checks.
- Line Segment 6936, MP 113.212 - Missing readings in 2017 and 2018, a total of 2 checks.

MAGELLAN RESPONSE:

The applicable portions of the Odessa to El Paso Unit cited in Probable Violation 3 were leased to another operator, DCP, from July 3, 2013 to July 31, 2019. Magellan filed the Operator Registry Notification in 2013 regarding DCP's status as Operator of Record, and again in 2019 when Magellan resumed as Operator of Record. As such, Magellan was not the Operator of Record during the time frame encompassed by Probable Violation 3.

Magellan subsequently coordinated with DCP regarding the PHMSA identified missing corrosion control records. DCP has provided additional records showing rectifier inspections for Line Segment 6936 at MP 107.955, in 2017, 2018 and 2019, which are attached as Appendix B.

With respect to the interference bonds identified as critical or non-critical in the inspection, DCP has informed Magellan that DCP installed the interference bond on Line Segment 6936 at MP 88.07 to protect DCP's Red Bluff Pipeline, and it was not a critical interference bond for the leased Magellan pipeline segment. DCP states that these records should not have been included in the inspection of the Magellan pipeline, but has provided records to satisfy the bond inspection requirement as a non-critical bond. Similarly, DCP has informed Magellan that the non-critical interference bonds located on Line Segment 6936 at MP 49.595, 100.887, and 113.212 were installed by DCP to provide protection to DCP's Red Bluff (at MP 49.595) or Hidalgo Pipelines (at MPs 100.887 and 113.212) and were not interference bonds protecting the leased Magellan pipeline. DCP states that these bonds were installed during the lease term and were removed when the lease expired in 2019. DCP states that these bonds should not have been included in the inspection of the Magellan pipeline records.

Upon expiration of the lease agreement with DCP, Magellan conducted all required inspections in accordance with 49 CFR 195.573(c). Given the above information, Magellan respectfully requests PHMSA adjust the Proposed Civil Penalty Worksheet for Item 3.

If you have any questions or need additional information, please contact me by phone at (918) 574-7073 or e-mail at mark.materna@magellanlp.com to discuss.

Sincerely,



Mark Materna
Director, Pipeline Integrity

Cc: Jason Smith, Vice President, Asset Integrity, Magellan