



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

WARNING LETTER

CERTIFIED - RETURN RECEIPT REQUESTED

January 17, 2007

Mr. Harry N. Pefannis
President
Plains Pipeline, LP
P.O. Box 4468
Houston, TX 77210

CPF No. 4-2007-5001W

Dear Mr. Pefannis:

During the months of September and November, 2006, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southwest Region, pursuant to Chapter 601 of 49 United States Code, conducted a pipeline safety inspection of Plains Pipeline, LP liquid pipeline systems facilities and records.

As a result of the inspections, it appears that you have committed probable violations as noted below of pipeline safety regulations Title 49, Code of Federal Regulations, Part 195. The items inspected and the probable violations are:

§195.420 Valve maintenance

(c) Each operator shall provide protection for each valve from unauthorized operation and from vandalism.

A number of the Plains Pipeline LP pipeline valves do not have protection from vandalism at the sites. The valves were chained and locked to prevent unauthorized use, but these locations did not provide any deterrence against vandalism. Local personnel did provide additional information regarding this issue.

During the inspections it was noted that Plains' preferred method of complying with 195.420c is to install locked chain link fencing around the valves. This was evident in the

three Plains units that were inspected, where the majority of above ground valves were located in locked fences.

Some of the remaining valves in those units were located above ground with no fences. The number of above ground valves that were observed without fences by the inspector on the three Texas and Louisiana units exceeded seven, and the lack of fencing was pointed out to Plains personnel at the time of the inspections. Several above ground valves were also observed without fences by the inspector in the marsh of the Louisiana unit of Plains.

It should be pointed out that all of the unfenced valves were chain locked and most had steel barricade posts installed. A review of your procedures by our inspectors did not reveal any alternative method of security for valve sites acceptable to you. Plains should review their program, procedures, and facilities to ensure they are compliant with this regulation.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violations persists up to a maximum of \$1,000,000 for any related series of violations. With respect to item 1 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 promptly correct these item(s). Be advised that failure to do so may result in Plains Pipeline LP being subject to additional enforcement action.

In your correspondence on this matter, please refer to **CPF 4-2007-5001W** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in black ink, appearing to read "R. M. Seeley". The signature is written in a cursive style with a large, stylized initial "R".

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration