



U.S. Department  
of Transportation

Pipeline and  
Hazardous Materials Safety  
Administration

8701 South Gessner, Suite 1110  
Houston, TX 77074

## NOTICE OF AMENDMENT

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 15, 2011

Mr. Steve Jacobs  
President  
Harvest Pipeline Company  
1201 Louisiana, Ste. 1400  
Houston, Texas 77002

**CPF 4-2011-5005M**

Dear Mr. Jacobs:

During the months of August, September, and October 2010, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Harvest Pipeline Company (Harvest) procedures for Southwest Pass 24 Oil Terminal Facilities in Houston, TX.

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

**1. §195.222 Welders: Qualification of welders.**

**(a) Each welder must be qualified in accordance with section 6 of API 1104 (ibr, see § 195.3 or section IX of the ASME Boiler and Pressure Vessel Code, (ibr, see § 195.3) except that a welder qualified under an earlier edition than listed in § 195.3 may weld but may not re-qualify under that earlier edition.**

Harvest Welding procedures under Design & Construction sections B(1)(b)1 and B(1)(b)2 were found to be inadequate. The procedures must be amended to ensure that the operator incorporates how the company's welding process is actually being performed and that all regulatory requirements are being met.

Additionally, inadequate procedures were found in sections (B)(1)(a)(3), (B)(2)(a), and (4)(l). These procedures reference the "latest" edition of API 1104. This procedure must be amended to reflect the actual latest edition of API 1104 being used by Harvest.

**2. §195.228 Welds and welding inspection: Standards of acceptability.**

**(a) Each weld and welding must be inspected to insure compliance with the requirements of this subpart. Visual inspection must be supplemented by nondestructive testing.**

Harvest Welding procedures under Design and Construction section 6(a) reference Section 6 of API Standard 1104 for weld inspection and testing. This procedure was found to be inadequate in referencing Section 6 of API Standard 1104. This procedure must be amended to reference the proper section of API Standard 1104 actually being used by Harvest.

**3. §195.234 Welds: Nondestructive testing**

**(b) Any nondestructive testing of welds must be performed-**

**(1) In accordance with a written set of procedures for nondestructive testing; and**

**(2) With personnel that have been trained in the established procedures and in the use of the equipment employed in the testing.**

Harvest Welding procedures under Design and Construction section B(6)(c) states an ASME qualified Level II or III Technician shall make the acceptability or rejection of welds based upon the results of nondestructive examination unless excepted by procedure. This procedure was found to be inadequate. The Harvest procedure must be amended to specify which section of ASME, API 1104 or any other recognized national certification program will be acceptable and used by Harvest.

**4. §195.305 Testing of components.**

**(a) Each pressure test under §195.302 must test all pipe and attached fittings, including components, unless otherwise permitted by paragraph of this section.**

**(b) A component, other than pipe, that is the only item being replaced or added to the pipeline system need not be hydrostatically tested under paragraph (a) of this section if the manufacturer certifies that either-**

**(1) The component was hydrostatically tested at the factory; or**

**(2) The component was manufactured under a quality control system that ensures each component is at least equal in strength to a prototype that was hydrostatically tested at the factory.**

Harvest Pressure Testing procedures were found to be inadequate and must be amended to ensure that all pipe, all attached fittings, including components, must be pressure tested in accordance with §195.305.

**5. §195.308 Testing of tie-ins.**

**Pipe associated with tie-ins must be pressure tested, either with the section to be tied in or separately.**

Harvest Pressure Testing procedures were found to be inadequate and must be amended to ensure that pipe associated with tie-ins must be pressure tested.

**6. §195.310 Records.**

**(b) The record required by paragraph (a) of this section must include:**

**(10) Temperature of the test medium or pipe during the test period.**

Harvest Pressure Testing procedures were found to be inadequate and must be amended to ensure that test records include the temperature of the test medium or pipe during the test period.

**7. §195.402 Procedural manual for operations, maintenance, and emergencies.**

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

**(2) Gathering of data needed for reporting accidents under Subpart B of this part in a timely and effective manner.**

Harvest Reporting procedures were found to be inadequate. These procedures must be amended to ensure that regulatory requirements involving telephonic reports and accident reports are adhered to. These reporting procedures are required under §195.50; §195.52; §195.54(a); §195.54(b).

**8. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(d) Abnormal operation. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded;**

**(3) Correcting variations from normal operation of pressure and flow equipment and controls.**

Harvest Abnormal Operating procedures were found to be inadequate and must be amended to ensure that procedures address correcting variations from normal operation of pressure and flow equipment controls.

**9. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(e) Abnormal operation. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded;**

**(4) Notifying responsible operator personnel when notice of an abnormal operation is received.**

Harvest Abnormal Operating procedures were found to be inadequate and must be amended to ensure that operating personnel notify responsible operator personnel where notice of an abnormal operation is received.

**10. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(f) Safety-related condition reports. The manual required by paragraph (a) of this section must include instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of §195.55.**

Harvest Abnormal Operating procedures were found to be inadequate and must be amended to ensure that procedures address instructions to better enable O&M personnel to recognize and report potential safety related conditions as required under §195.55.

**11. §195.403 Emergency Response Training.**

**(c) Each operator shall require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under 195.402 for which they are responsible to ensure compliance.**

Harvest Emergency Response procedures were found to be inadequate and must be amended to ensure that procedures require and verify that supervisors maintain a thorough knowledge of the emergency response procedures for which they are responsible.

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 30 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 4-2011-5005M** and, for each document you submit, please provide a copy in electronic format whenever possible.

In regard to Items 4 through 11 listed above, Harvest provided revised procedures via email to PHMSA on October 12, 2010 of various changes made to their Operations and Maintenance Plan. After considering the material provided, PHMSA deemed the modifications to be adequate.

Sincerely,



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

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