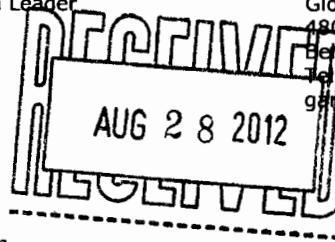




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August 27, 2012

Mr. Chris Hoidal, Director  
Pipeline and Hazardous Materials Safety Administration  
U.S. Department of Transportation  
12300 W. Dakota Avenue, Suite 110  
Lakewood, CO 80228

**RE: Chevron Pipe Line Company  
Response to CPF No. 5-2012-0013M**

Dear Mr. Hoidal:

In response to the Notice of Amendment (“NOA”) received May 29, 2012, Chevron Pipe Line Company (“CPL”) respectfully submits further explanation of the risk assessment component of CPL’s Pipeline Integrity Management (“PIM”) Program. This explanation should resolve any misunderstandings of the information and risk analysis process discussed during the May 2-5, 2011, audit.

PHMSA noted in the NOA that CPL’s risk assessment procedure did not meet ASME B31.8S, Section 5. CPL respectfully disagrees. CPL’s risk assessment process for natural gas pipelines, PTRAP (Pipeline Threat and Risk Analysis Process) was structured following ASME B31.8S, Section 5 and Appendix A. PTRAPs are performed on a Testable Segment basis. A Testable Segment is a portion of a pipeline system, containing both HCA and non-HCA segments, upon which an integrity assessment is performed.

Core pipeline information is first gathered for the Testable Segment. The PTRAP worksheet consists of a series of uniform questions to collect the information outlined in ASME B31.8S, Appendix A, in order to evaluate the level of the potential threat to a specific Testable Segment. The evaluation includes input from the Pipeline Integrity Technologist, Corrosion Specialist, field-based Corrosion Technician, and other field-based subject matter experts. Each potential threat is evaluated and a threat level is determined to be high, medium, low or non-applicable. PHMSA noted in the NOA that risk rankings of high, medium, and low did not meet the intent of ASME B31.8S, Section 5, but Section 5.5 states: “The risk analysis can be fairly simple with values ranging from 1-3 (to reflect high, medium, and low likelihood and consequences)...”. CPL opted not to assign numerical values to high, medium, low and non-applicable, eliminating the need for a cross-reference.

A pre-assessment PTRAP is performed to gain insight into the level and type of potential threats to a specific Testable Segment. Once the integrity assessment is performed and the analysis of the results is complete, a post-assessment PTRAP is performed to review and update the conclusions of the pre-assessment PTRAP, if necessary. Information from the ILI assessment is incorporated into the post-assessment PTRAP. Results from an ILI assessment are reviewed to determine if the pre-assessment threat levels for the potential threats are accurate.

PHMSA, Mr. Chris Hoidal  
CPF 5-2012-0013M  
August 27, 2012

CPL would like to point out that the number of anomalies reported from ILI assessments and quoted by PHMSA in the NOA are over two different size ranges, and do not result in a useful comparison. For the Cross Valley Fuel Gas Pipeline ("CVFGS"), over the range of 10-49% wall loss, there were 160 anomalies. Over the same 10-49% wall loss on the Northern California Gas System ("NCGS") line there were 134 anomalies. Neither pipeline had enough deep or widespread metal loss to be ranked higher than "LOW".

One-Call records are gathered and reviewed in the pre-assessment PTRAP evaluation under the Mechanical Damage threat. During the post-assessment PTRAP evaluation, the ILI results are reviewed to determine if there is evidence of third-party damage.

The number of One-Call tickets (1845 CVFGS and 512 NCGS) provided during the audit were not only for the natural gas systems but for crude oil and products pipelines systems as well. For the first quarter of 2011 the Testable Segment in the NCGS received a total of 6 One-Call tickets, with one having the potential for conflict. During the same time period, the Testable Segment in the CVFGS received a total of 8 One-Call tickets, with two having the potential for conflict. No evidence was found on the ILI results for either Testable Segment that could be attributed to third party damage. The lack of top side dents, regardless of the number of One-Call tickets indicates a low potential for third-party damage as a threat and perhaps, the effectiveness of CPL's Damage Prevention Program. The lack of evidence of top-side dents resulted in a "LOW" potential for the third-party damage threat.

The language in the NOA appears to indicate that CPL does not explore whether preventative and mitigative measures exists that could further protect HCAs. During both the pre and post-assessment PTRAP evaluations, preventative and mitigative measures (PAMM) are discussed, and evaluated for feasibility. All recommended measures are evaluated to determine if the measure would reduce risk and enhance the protection of HCAs. A determination is made as to whether the recommended PAMM could be implemented at the field level or if additional funding and expertise are required. The Field Team Leader is assigned the responsibility to implement the PAMM and an implementation schedule determined. Any PAMM chosen for implementation is entered into the computerized maintenance management system for tracking purposes.

At this time CPL does not feel changes to its existing PIM Program are necessary. If you should have any questions concerning this response, please feel free to contact me at (713) 432-3332.

Respectfully,

A handwritten signature in black ink, appearing to read "T.W. Harlan", with a long, sweeping underline that extends to the right.

*Electronic Transmittal*

cc: H. Monfared, PHP-500  
J.M. Barnum, VP  
E.D. May, VP  
T.W. Harlan, Sr. Counsel