

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 13, 2008

Mr. Jimmie James
Northern Operations Manager
ExxonMobil Pipeline Company
3225 Gallows Hill Road
Fairfax, VA 22037

CPF 1-2008-5003W

Dear Mr. James:

During the week of April 8, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your pipeline system between Portland and Bangor, Maine.

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

1. §195.567 Which pipelines must have test leads and what must I do to install and maintain the leads?

(a) General. Except for offshore pipelines, each buried or submerged pipeline or segment of pipeline under cathodic protection required by this subpart must have electrical test leads for external corrosion control. However, this requirement does not apply until December 27, 2004 to pipelines or pipeline segments on which test leads were not required by regulations in effect before January 28, 2002.

During the field review of the pipeline, ExxonMobil attached the voltmeter test lead to a flaw in the coating of exposed piping to conduct pipe-to-soil tests to monitor the effectiveness of the cathodic protection. The pipeline is subject to the criteria in the regulation, necessitating the need for test leads since December 27, 2004.

The inspector observed the lack of test leads during the field review at the mainline valve stations at Meadow Lane (MP 116.6), Winter Port (MP 110.9) and at Litchfield (MP 52.52).

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 Sec. 195.571:

(2) Identify not more than 2 years after cathodic protection is installed, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE Standard RP 0169 (incorporated by reference, see §195.3).

NACE Standard RP 0169 paragraph 10.1.1.3 states:

When practicable and determined necessary by sound engineering practice, a detailed (close interval) potential survey should be conducted to (a) assess the effectiveness of the cathodic protection system; (b) provide base line operating data; (c) locate areas of inadequate protection levels; (d) identify locations likely to be affected by construction, stray currents or other unusual environmental conditions; or (e) select areas to be monitored periodically.

ExxonMobil could not identify the circumstances in which a close interval survey (CIS) or comparable technology should be conducted on its entire pipeline system between Portland and Bangor, Maine to meet the objectives of paragraph 10.1.1.3 of NACE Standard RP 0169. ExxonMobil did perform one CIS during 2007 on a 15-mile segment of its 124-mile pipeline in the Falmouth area where it ran parallel to a Northern Utilities pipeline. The Operator stated that no other CIS was planned for the line and that ExxonMobil was comfortable with the data provided by ILI analysis of its pipeline as comparable technology to accomplish the objectives of the NACE standard. While ILI data may be useful in determining flaws or damage on the pipeline it does not serve to satisfy (a) through (e) above of the NACE standard.

As stated in the Discussion of Comments to Amendment 195-73 (FR/Vol.66, No.248/Thursday, 12.27.01/page 66999):

Although the final rule does not prescribe a frequency of close-interval surveys, operators will have to describe in their maintenance procedures the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of the NACE Standard, and then follow those procedures.

The operator could present no procedures detailing the circumstances including needed frequency in which CIS or comparable technology could be used to accomplish the objectives of the paragraph 10.1.1.3 of NACE RP0169.

ExxonMobil needs a method to analyze the Portland Bangor Pipeline in accordance with the regulations to satisfy Section 10.1.1.3 of NACE Standard RP 0169.

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 violation persists up to a maximum of \$1,000,000 for any 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 ExxonMobil Pipeline Company 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 1-2008-5003W**. 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,

Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration