



U.S. Department
Of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

NOTICE OF AMENDMENT

June 27, 2011

Larry Wilson
President
Portland Pipe Line Corporation
30 Hill Street
South Portland, ME 04106

CPF 1-2011-5005M

Dear Mr. Wilson:

From August 4-8, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Portland Pipe Line Corporation's (Portland) procedures for the Liquid Integrity Management (IM) Program in South Portland, Maine.

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

1. Remedial Action

§195.452 Pipeline integrity management in high consequence areas.

(f) What are the elements of an integrity management program?

(4) Criteria for remedial actions to address integrity issues raised by the assessment methods and information analysis (see paragraph (h) of this section);

(h) What actions must an operator take to address integrity issues?

(1) General requirements. An operator must take prompt action to address all anomalous conditions the operator discovers through the integrity assessment or information analysis. In addressing all conditions, an operator must evaluate all anomalous conditions and remediate those that could reduce a pipeline's integrity. An operator must be able to demonstrate that the remediation of the condition will ensure the condition is unlikely to pose a threat to the long-term integrity of the pipeline. An operator must comply with § 195.422 when making a repair.

(ii) **Long-term pressure reduction.** When a pressure reduction exceeds 365 days, the operator must notify PHMSA in accordance with paragraph (m) of this section and explain the reasons for the delay. An operator must also take further remedial action to ensure the safety of the pipeline.

(m) **How does an operator notify PHMSA?** An operator must provide any notification required by this section by:

(1) **Entering the information directly on the Integrity Management Database Web site at <http://primis.phmsa.dot.gov/imdb/>;**

(2) **Sending the notification to the Information Resources Manager, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration, 1200 New Jersey Avenue, SE., Washington, DC 20590; or**

(3) **Sending the notification to the Information Resources Manager by facsimile to (202) 366-7128.**

- **Item 1A: §195.452(h)(1)(ii)**

Portland's procedures for its IM Program were inadequate because the procedures failed to address the requirement prescribed in §195.452(h)(1)(ii). Specifically, Portland's procedure did not require notification to PHMSA in accordance with paragraph (m) of this section when a pressure reduction does exceed 365 days.

2. Preventive & Mitigative Measures

§195.452 Pipeline integrity management in high consequence areas.

(f) **What are the elements of an integrity management program?**

(6) **Identification of preventive and mitigative measures to protect the high consequence area (see paragraph (i) of this section);**

(i) **What preventive and mitigative measures must an operator take to protect the high consequence area?**

(2) **Risk analysis criteria.** In identifying the need for additional preventive and mitigative measures, an operator must evaluate the likelihood of a pipeline release occurring and how a release could affect the high consequence area. This determination must consider all relevant risk factors, including, but not limited to:

(i) **Terrain surrounding the pipeline segment, including drainage systems such as small streams and other smaller waterways that could act as a conduit to the high consequence area;**

(ii) **Elevation profile;**

(iii) **Characteristics of the product transported;**

(iv) **Amount of product that could be released;**

(v) **Possibility of a spillage in a farm field following the drain tile into a waterway;**

(vi) **Ditches along side a roadway the pipeline crosses;**

(vii) **Physical support of the pipeline segment such as by a cable suspension bridge;**

(viii) **Exposure of the pipeline to operating pressure exceeding established maximum operating pressure.**

- **Item 2A: §195.452(i)(2)**

Portland's procedures for its IM Program were inadequate because the procedures failed to consider all "relevant" risk factors in the risk analysis. At the time of the inspection, Portland's procedure did not include atmospheric corrosion in the evaluation and assessment or documented the basis for the exclusion of atmospheric corrosion.

3. Program Evaluation

§195.452 Pipeline integrity management in high consequence areas.

(f) What are the elements of an integrity management program?

(7) Methods to measure the program's effectiveness (see paragraph (k) of this section);

(k) What methods to measure program effectiveness must be used? An operator's program must include methods to measure whether the program is effective in assessing and evaluating the integrity of each pipeline segment and in protecting the high consequence areas. See Appendix C of this part for guidance on methods that can be used to evaluate a program's effectiveness.

- **Item 3A: §195.452(k)**

Portland's procedures for its IM Program were inadequate because the procedures failed to include methods that measure the effectiveness of its ongoing program. Specifically, Portland's procedure did not have a process that required an evaluation of root cause analyses regarding significant failures or near-misses that affect overall risk of its pipeline.

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.

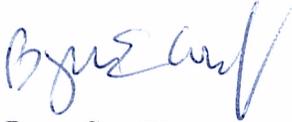
If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures 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.

1-2011-5005M

It is requested (not mandated) that Portland maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Byron Coy, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration.

In correspondence concerning this matter, please refer to **CPF 1-2011-5005M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in blue ink, appearing to read "Byron Coy".

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

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