



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 PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

UPS OVERNIGHT DELIVERY

June 20, 2013

Gary Pruessing
President
ExxonMobil Pipeline Company
800 Bell Street, Rm. 741-D
Houston, TX 77002

CPF 1-2013-5008

Dear Mr. Pruessing:

During the week of November 14, 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected the Mobile Pipe Line Company hazardous liquid pipeline transmission system from East Providence, Rhode Island to Springfield, Massachusetts, which is operated by ExxonMobil Pipeline Company (Exxon).

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. **§195.583 What must I do to monitor atmospheric corrosion control?**
 - (a) **You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:**

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months.
Offshore	At least once each calendar year, but with intervals not exceeding 15 months.

Exxon failed to inspect the underside of its pipeline that was exposed to the atmosphere for evidence of atmospheric corrosion.

During the field inspection at Exxon's Springfield Terminal in Massachusetts, a PHMSA inspector observed an aboveground jurisdictional pipeline segment of Pipeline System NE-02 that was directly above rocks (the rocks were touching the underside of the pipeline). The pipeline segment transports product to breakout tank 12 at the Springfield Terminal. PHMSA inspector asked the Exxon's Crew Leader/Corrosion Technician (individual who performed the atmospheric corrosion inspection on Pipeline System NE-02 at Springfield Terminal) whether the rocks were removed so that the underside of the pipeline segment would have been accessible and visible at the time of the last atmospheric corrosion inspection, allowing him to inspect it. Exxon's Crew Leader/Technician indicated that the rocks were not removed at the time of the last atmospheric corrosion inspection, and that the underside of the pipeline segment was not inspected.

The PHMSA inspector requested a copy of the last atmospheric corrosion inspection record for this pipeline segment. Exxon provided records that indicated the atmospheric corrosion inspection was conducted on 4/14/2010. Exxon pointed out the pipeline segment in question were the "manifold pipes to tanks". The record indicated that the "manifold pipes to tanks" were "sitting on abrasive rock shield".

A PHMSA inspector also requested to take photographs of this pipeline segment; however, Exxon indicated that it would need to obtain a work permit before any photographs were taken. Following this inspection, Exxon provided photographs of the pipeline segment, which were taken by its personnel between 11/18/2011 and 11/28/2011. The photographs show the pipeline segment directly above rocks.

Exxon failed to inspect the underside of this pipeline segment that was exposed to the atmosphere within the prescribed time interval.

2. §195.49 Annual report.

Each operator must annually complete and submit DOT Form PHMSA F 7000-1.1 for each type of hazardous liquid pipeline facility operated at the end of the previous year. An operator must submit the annual report by June 15 each year, except that for the 2010 reporting year the report must be submitted by August 15, 2011. A separate report is required for crude oil, HVL (including anhydrous ammonia), petroleum products, carbon dioxide pipelines, and fuel grade ethanol pipelines. For each state a pipeline traverses, an operator must separately complete those sections on the form requiring information to be reported for each state.

Exxon failed to adequately complete DOT Form PHMSA F-7000-1.1 for its hazardous liquid pipeline facility for the reporting year of 2010. Pursuant to §195.49, "[e]ach operator must annually complete and submit DOT Form PHMSA F 7000-1.1 for each type of hazardous liquid pipeline facility operated at the end of the previous year." (emphasis added).

During this inspection, Exxon's Pipeline Safety Compliance Advisor indicated that its Hartford Spur pipeline, a 22 mile section of 6" diameter piping located in Connecticut, was abandoned in 1983. Exxon included the Hartford Spur pipeline in its annual report submittal for 2010.¹

Therefore, Exxon did not adequately complete DOT Form PHMSA F-7000-1.1 for its 2010 annual report submittal, because it included the abandoned pipeline.

Subsequently, Exxon did not include the abandoned Hartford Spur pipeline in its 2011 annual report submittal.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in

¹ Exxon's Annual Report for Calendar Year 2010 Hazardous Liquid Pipeline Systems, Initial, Date Submitted: 08/16/2011 pages 11 - 13.

the above probable violation and has recommended that you be preliminarily assessed a civil penalty of \$37,500 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$37,500

Warning Items

With respect to Item 2, 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 this item. Be advised that failure to do so may result in Exxon being subject to additional enforcement action.

Proposed Compliance Order

With respect to Item 1 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Exxon. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

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.

Please submit all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2013-5008** on each document you submit, and please whenever possible, provide a signed PDF copy in electronic format. Smaller files may be emailed to Byron.Coy@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Sincerely,



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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), proposes to issue to ExxonMobil Pipeline Company (Exxon) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Exxon with the pipeline safety regulations:

1. With respect to Item 1 of the Notice, Exxon must inspect the underside of the “manifold pipes to tanks” at the Springfield Terminal and remediate any deficiencies, if necessary, according to its procedures and pipeline safety regulations. The prescribed work must be completed within (120) days after receipt of the Final Order.
2. Exxon must submit any and all documentation demonstrating completion of the above item to Byron Coy, PE, Director, Eastern Region, Pipeline and Hazardous Material Safety Administration, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628.
3. It is requested (not mandated) that Exxon maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Byron Coy, PE, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.