



Philadelphia Energy Solutions
Refining and Marketing LLC
3144 Passyunk Avenue
Philadelphia, PA 19145
215 339 2000

October 4, 2017

Mr. Robert Burrough, Acting Director
PHMSA Eastern Region
820 Bear Tavern Road, Suite 103
West Trenton, New Jersey 08628

Re: CPF 1-2017-6007M from Inspection of Philadelphia Refining Complex Plant between October 14th, 2015 and November 16th, 2015

Dear Mr. Burrough:

Between October 14, 2015 and November 16, 2015, your office conducted a regulatory inspection with respect to compliance requirements under 49 CFR 195 at the Philadelphia Energy Solutions Refining and Marketing, LLC ("PES")'s Philadelphia Refining Complex, and as a result three (3) Notice of Amendments were presented for PES to resolve. At this time, all of the Amendments have been reviewed, and this letter is intended to communicate these Amendments to your office.

If you have any questions regarding the resolutions documented below please do not hesitate to contact me for discussion and clarification.

Amendment #1: PES did not include a process for inspecting crossings under navigable waters in accordance with 195.452(b).

- PES O&M Plan discusses site specific parameters of inspecting crossings under navigable waters in accordance with 195.452(b), but insufficient wording and detail was found. The O&M plan has been revised to comply with 195.452(b) and Subparts F and H of 49 CFR 195.

- Per PES O&M Plan:

o **Right of Way Inspections**

Rights-of-way are to be inspected at least 26 times each year at intervals not to exceed 21 days. An inspection task will be scheduled via PES Inspection Management System to ensure schedule targets are met.

Inspection methods may include aerial patrol, driving or walking.

Items identified during the inspections will be reported and investigated. All observations and actions will be documented and stored in the electronic File Management system per the ROW Inspection Procedure.

Observed hazard reporting to include but are not limited to the following:

- Suspicious liquids, dead vegetation on or near the right of way;
- Sheen in waterways upstream or downstream of crossing;
- Pipeline exposures, erosion, landslides;
- Any unauthorized construction or crossing activity on or near the right-of-way;
- Presence of any unauthorized type of drill rig, seismographic activity on or near the right-of-way;
- Heavy traffic crossing over the right of way.

Longer term issues such as exposures, landslides and washouts require follow-up documentation including a running list of concerns and the affected areas. This list is to be maintained at each refinery in the electronic File Management System

o **Water Crossings**

Pipeline Crossings under the Schuylkill River are to be inspected every five years. Inspections will be scheduled with a contract diving firm via recurring task leveraging the PES Action Item Management System and PES Inspection Management System to ensure schedule targets are met. For specific procedures and approved vendors, please see Underwater River Crossings Procedure. The resulting report issued by the vendor will be filed in the electronic File Management system.

Amendment #2: PES did not specify a specific timeframe to correct deficiencies found during monitoring for external corrosion in accordance with 195.573(e).

- PES O&M Plan states that cathodic protection system deficiencies shall be evaluated with remedial actions taken "within a reasonable time", however the procedure did not specify a specific timeframe for "within a reasonable time". O&M revisions are pending review and approval which introduce a risk based approach to evaluating and scheduling repairs. Scheduling is based upon the level of risk to the integrity of the pipe. All repairs related to the integrity of the pipe will be scheduled within 180 days. Repairs not affecting the integrity of the pipe will be evaluated and scheduled during scheduled maintenance outages or other times deemed reasonable which may be longer than 180 days. The approach and criteria will be documented and recorded.

Amendment #3: PES did not clearly require consideration for the factors listed in 195.452(i)(4) to determine if an Emergency Flow Restricting Device (EFRD) is needed.

- PES is in the process of performing an updated EFRD to address specific 195.452(i)(4) factors, as well as any updates that may have been made since taking ownership of the pipeline systems in question. The study is in flight and will be completed by 4Q 2017. Once complete, the PES IMP will be updated to reflect the current findings and referenced as appropriate.

If you have any questions regarding the responses above please do not hesitate to contact me.

Sincerely,



Mark O. Brandon Sr.

Philadelphia Energy Solutions, Vice President and General Manager of Refining