

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

March 26, 2018

Pete Pirog
Vice President and General Manager
MIPC LLC
920 Cherry Tree Road
Aston, PA 19014

CPF 1-2018-5011W

Dear Mr. Pirog:

From May 15-19, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected MIPC LLC's (MIPC) Trainer and Chelsea pipelines and facilities located in the area of Aston, PA.

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

1. **§ 195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a) **General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to ensure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**

MIPC failed to review and update its operations and maintenance manuals at intervals not exceeding 15 months, but at least once each calendar year.

During the inspection, the PHMSA inspector requested documentation of the annual reviews of MIPC's procedural manuals required by § 195.402. MIPC provided review/revision logs for its manuals, including its Corrosion Manual and Pipeline Integrity Management Plan. The logs indicated that MIPC failed to review and update its Corrosion Manual and Pipeline Integrity Management Plan in 2013, and its Pipeline Integrity Management Plan again in 2016.

Therefore, MIPC failed to review and update its Corrosion and Integrity Management manuals at least once each calendar year.

2. § 195.446 Control room management.

- (a) **General.** This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section...

MIPC failed to follow its written control room management procedure, *Appendix I, Exhibit A - Alarm Philosophy Control Center*, Section 6.2 (Procedure), developed in accordance with § 195.446(j)(1).

Section 195.446 (j)(1) states:

“(j) Compliance and deviations. An operator must maintain for review during inspection:
(1) Records that demonstrate compliance with the requirements of this section;”

MIPC's Section 6.2 of the Procedure Alarm Philosophy Control Centers, states:

“The alarm history (*e.g.*, annunciations, acknowledgements, return-to-normal, controller actions, etc.) should be preserved for 3 years per DOT requirement.”

During the inspection, the PHMSA inspector requested a report of recent alarm history. MIPC was unable to provide a report at the time of inspection.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists, up to a maximum of \$2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a 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 item(s) identified in this letter. Failure to do so will result in MIPC LLC being subject to additional enforcement action.

Please 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).

No reply to this letter is required. If you choose to reply, please submit all correspondence in this matter to Robert Burrough, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. Please refer to **CPF 1-2018-5011W** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration