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April 25, 2018

OVERNIGHT DELIVERY

RECEIVED APR 26 2018

Mr. Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628

Re: Notice of Amendment; CPF 1-2018-5014M

Dear Mr. Burrough:

This letter is in response to the referenced Notice of Amendment (NOA), dated March 26, 2018, sent to PBF Energy's subsidiary, Delaware Pipeline Company LLC (the Company), as follow-up to an inspection of the Company's pipeline construction as per 49 CFR Part 195 held in Delaware City, DE from December 5-8, 2016. In accordance with the NOA's Response Options for Pipeline Operators in Enforcement Proceedings response option II (c), this response letter contests and objects to the NOA but is not requesting a hearing.

The following is excerpted from the referenced NOA:

> §195.214 Welding Procedures
>
> Welding must be performed by a qualified welder or welding operator in accordance with welding procedures qualified under section 5, section 12, Appendix A or Appendix B of API Std 1104 (incorporated by reference, see §195.3), or Section IX of ASME Boiler and Pressure Vessel Code (BPVC) (incorporated by reference, see §195.3). The quality of the test welds used to qualify welding procedures must be determined by destructive testing.
>
> Delaware's Welding Compliance Volume – Welding and NDT Procedures (Welding Manual) was inadequate. Specifically, Delaware's Welding Manual failed to include welding procedures that referenced and were qualified to the 20th edition of API 1104, as incorporate by §195.3(b)(20).
>
> During the inspection, the PHMSA inspector reviewed Delaware's Welding Manual, which included the Welding Procedure Specifications (WPSs) and the associated Procedure Qualification Records. The Welding Manual reviewed included statements that some WPSs were qualified and certified by the procedures of API 1104, latest edition, which currently is API 1104, 21st edition. In addition, the Welding Manual referenced API 1104, 17th edition and API 1104, 18th edition. Lastly, the Welding Manual cited API 1107, which is an outdated standard for maintenance welding that was discontinued by API in 2005 and is not recognized by §195.214(a).
>
> Therefore, Delaware's Welding Manual with reference to API 1104, latest edition; API 1104, 17th edition; and API, 18th edition; was inadequate per the requirements of §195.3(b)(20), and with references to API 1107, was inadequate per the requirments of §195.214(a).

The following is the Company's response:

> The Company contests that Delaware's Welding Compliance Volume – Welding and NDT Procedures (Welding Manual) is inadequate as alleged in the NOA.

Regarding the allegation of failing to include welding procedures that reference and were qualified to the 20th edition of API 1104 as incorporated by §195.3(b)(20), it is understood that the referenced edition of the API 1104 applies only at the time of the welding procedure qualification. As §195 is periodically updated and subsequent editions of API 1104 are incorporated by reference, welding procedures, of which there typically are many, should not be required to be requalified (assuming essential variables remain unchanged). It is understood, however, that any new welding procedures that may subsequently be qualified, should be in accordance with the §195 accepted edition of API 1104 at such time, currently the 20th edition. *The company's welding procedures were qualified in accordance with the edition of API 1104 in effect at the time of the qualification and therefore considered §195 compliant by the Company.*

Regarding the term "latest edition" as referenced in the NOA, it wasn't until July 3, 1989 that §195.3 stated the specific edition of API 1104 standard (in this case, 17th edition). Prior to this time, the reference to API 1104 in §195.3 only stated "(ii) API Specification 1104 Standard for Welding Pipe Lines and Related Facilities". *As such, the welding procedures qualified before July 3, 1989 stated "latest edition", were qualified in accordance with the edition of API 1104 in effect at the time of the qualification, and therefore considered §195 compliant by the Company.*

Similar to the above description of the use of applicable API 1104 versions at the time of the welding procedure qualification, API 1107 was used as referenced by §195.3 at the time. The in-service maintenance procedures in the Delaware Welding Manual were qualified prior to the incorporation of API 1107 into the 20th edition of API 1104 in 2005. For all API 1107 welding procedures listed in the Welding Manual, the procedures and qualifications were done in February or March of 1997 and correctly reference the 3rd edition of API 1107. The in-service maintenance welding procedures qualified prior to the 20th edition of API 1104 comply with API 1107 as this was the acceptable standard for qualifying these type procedures at the time. *As such, the Company's welding procedures were qualified in accordance with the edition of API 1107 in effect at the time of the qualification and therefore considered §195 compliant by the Company.*

In conclusion, any welding procedure properly prepared and qualified in accordance with an earlier edition of API 1104 as referenced at that time in §195.3, as may be used in welding today, complies with §195.214, given that no change to essential variables of the welding procedures occurred. Likewise, maintenance welding in accordance with procedures qualified to API 1107, prior to its incorporation into API 1104, also complies with §195.214 as those welding procedure qualifications were done before 2005.

If you have any questions, please contact me at Thomas.Mclane@pbfenergy.com or by phone at 281-602-4224.

Sincerely,

Thomas J. McLane
PBF Energy
Director, Logistics Regulatory Compliance