

MAR 02 2007



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste. 600
Atlanta, GA 30303

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 1, 2007

Mr. Jim Lamanna
President
BP Pipelines NA Inc.
Tristate NGL Pipeline L.L.C.
28100 Torch Parkway
Warrenville, IL 60555

CPF 2-2007-5002W

Dear Mr. Lamanna:

On October 23 - 25, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Tristate NGL Pipeline, L.L.C. facilities and records in Alabama and Mississippi.

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. **§195.404 Maps and records.**
 - (a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information:
 - (2) All crossings of public roads, railroads, rivers, buried utilities, and foreign pipelines.
 - (4) The diameter, grade, type and nominal wall thickness of all pipe.

Tristate did not provide a recent survey map of its pipeline showing public roads, railroads, rivers, buried utilities and foreign pipelines. The map provided during the inspection specified pipe grade, diameter and coating but did not cover all of the Tristate NGL pipeline. Tristate personnel asserted the coating on the pipe was coal tar, however, the map specified FBE.

2. §195.577 What must I do to alleviate interference currents?

(a) For pipelines exposed to stray currents, you must have a program to identify, test for, and minimize the detrimental effects of such currents.

Tristate did not provide a record verifying testing for stray currents or analysis of non-exposure to stray currents.

3. §195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?

(a) You must electrically isolate each buried or submerged pipeline from other metallic structures, unless you electrically interconnect and cathodically protect the pipeline and the other structures as a single unit.

(c) You must inspect and electrically test each electrical isolation to assure the isolation is adequate.

Tristate did not provide a record verifying inspection of its electrical isolations.

4. §195.589 What corrosion control information do I have to maintain?

(a) You must maintain current records or maps to show the location of –

(1) Cathodically protected pipelines;

(2) Cathodic protection facilities, including galvanic anodes, installed after January 29, 2002; and

(3) Neighboring structures bonded to cathodic protection systems.

(b) Records or maps showing a stated number of anodes, installed in a stated manner or spacing, need not show specific distances to each buried anode.

Tristate did not provide an adequate record and or map showing location of the following: sacrificial anodes, ground beds, critical and non-critical bonds, rectifiers, electrical isolations, test stations, AC interference components, lightning arrestors and grounds.

5. §195.406 Maximum operating pressure.

- (a) Except for surge pressures and other variations from normal operations, no operator may operate a pipeline at a pressure that exceeds any of the following:
- (1) The internal design pressure of the pipe determined in accordance with §195.106. However, for steel pipe in pipelines being converted under §195.5, if one or more factors of the design formula (§195.106) are unknown, one of the following pressures is to be used as design pressure:
 - (i) Eighty percent of the first test pressure that produces yield under section N5.0 of appendix N of ASME B31.8, reduced by the appropriate factors in §§195.106(a) and (e); or
 - (ii) If the pipe is 12³/₄ in (324 mm) or less outside diameter and is not tested to yield under this paragraph, 200 p.s.i. (1379 kPa) gage.
 - (2) The design pressure of any other component of the pipeline.
 - (3) Eighty percent of the test pressure for any part of the pipeline which has been pressure tested under Subpart E of this part.
 - (4) Eighty percent of the factory test pressure or of the prototype test pressure for any individually installed component which is excepted from testing under §195.305.
 - (5) For pipelines under §§195.302 (b)(1) and (b)(2)(i) that have not been pressure tested under subpart E of this part, 80 percent of the test pressure or highest operating pressure to which the pipeline was subjected for 4 or more continuous hours that can be demonstrated by recording charts or logs made at the time the test or operations were conducted.
- (b) No operator may permit the pressure in a pipeline during surges or other variations from normal operations to exceed 110 percent of the operating pressure limit established under paragraph (a) of this section. Each operator must provide adequate controls and protective equipment to control the pressure within this limit.

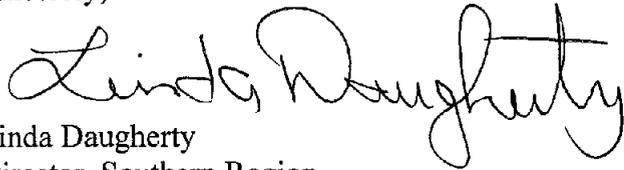
Tristate did not provide a record of MOP calculation for its pipeline.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violations persists up to a maximum of \$1,000,000 for any 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 items identified in this letter. Failure to do so will result in Tristate NGL Pipeline L.L.C. being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to CPF 2-2007-5002W. 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).

Sincerely,

A handwritten signature in cursive script that reads "Linda Daugherty". The signature is written in black ink and is positioned above the typed name and title.

Linda Daugherty
Director, Southern Region
Pipeline and Hazardous Materials Safety Administration