**U.S. Pipelines and Logistics**

BP Pipelines (North America) Inc.
28100 Torch Parkway
Warrenville, Illinois 60555

April 30, 2009

Mr. Ivan A. Huntoon
Director, Central Region
U.S. Department of Transportation
PHMSA, Office of Pipeline Safety
901 Locust Street, Suite 462
Kansas City, MO 64106-2641

Re: CPF 3-2009-5002

Dear Mr. Huntoon:

BP Pipelines (North America) Inc. is writing in response to the referenced notice of probable violation and proposed civil penalty received in our offices on April 1, 2009, regarding the July and August 2007 pipeline safety inspections of BP Pipelines' facilities in Indiana and Michigan.

The allegations of proposed violations in your letter are listed below with BP Pipelines' response following:

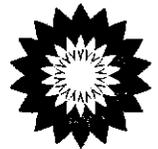
1. §195.406 Maximum operating pressure

(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:

(3) Eighty percent of the test pressure for any part of the pipeline which has been pressure tested under Subpart E of this part.

On August 31, 2005, BP/Amoco failed to operate the Whiting to River Rouge line segment from Whiting, IN to Granger, IN at a pressure eighty percent or less than the pressure to which it had been hydrostatically pressure tested.

On August 26, 2005, a segment of 12" diameter pipe was replaced at MP 74.46 on the Whiting to River Rouge pipeline in a repair project. The new pipe was grade X52 with a wall thickness of 0.375 inches, thus giving it a design operating pressure of 2202 psig (0.72 x 2 x 52,000 x 0.375 / 12.75). This segment of pipe was pressure tested to 1420 psig, which would have allowed a maximum operating pressure of 1136 psig. The maximum operating pressure of the line at the time was 1440 psig. BP/Amoco operated the line from August 26, 2005 to May 16, 2007 with overpressure protection



controls set for a maximum operating pressure of 1440 psig. The maximum operating pressure and high pressure shut down instrument settings at Whiting pump station were set at 1440 psig and 1490 psig respectively during this time interval. During this time period, the pressure at Granger Station (MP 87), approximately 13 miles downstream of the replaced pipe segment, exceeded 1136 psig on one occasion. On August 31, 2005 from 17:50 to 17:52 EDT, the pressure at Granger measured 1201 psig, meaning the replaced pipe segment pressure would have been in excess of 1136 psig.

On May 16, 2007 during an annual review of maximum operating pressures, BP/Amoco discovered that the pipe segment replaced at MP 74.46 would have allowed only an 1136 psig maximum operating pressure. BP/Amoco did not have controls in place to limit the pressure to the maximum operating pressure of the MP 74.46 pipe. The maximum operating pressure at Whiting was immediately reduced to 1310 psig, which would assure that the pressure at MP 74.46 would not exceed 1136 psig under a worst case scenario (no downstream pump stations operating). The high pressure shutdown control setpoint was reduced from 1490 psig to 1360 psig at this time also. This pipe segment was removed on July 17, 2007 with a pipe pressure tested to 1800 psig, which would allow the pipeline to return to a maximum operating pressure of 1440 psig.

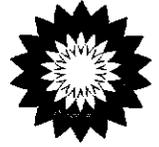
Response

BP Pipelines disagrees with the allegation that it failed to operate the pipeline in accordance with 49 CFR 195.406(a)(3). BP Pipelines contends that the pipeline was operated in a manner in which the Maximum Operating Pressure (i.e., 1136 psig) was not exceeded except during variations from normal pipeline operations. During these variations, the Maximum Operating Pressure was exceeded by less than 110%, as contemplated in 49 CFR 195.406(b).

The downstream pressure reference point of Granger Station is identified in the allegation as being located at MP 87, 13 miles downstream of the repair project. In fact, however, the station is located at MP 76.78, approximately two miles downstream of the repair, and it provides an accurate approximation of the pressure at the repair.

As the NOPV indicates, the actual operating pressure in this section of pipeline was generally below 1136 psig. During minor variations from normal pipeline operations the operating pressure never exceeded 110% of Maximum Operating Pressure.

In addition, BP believes that the proposed penalty is disproportionately high.



2. §195.422 Pipeline Repairs

- (b) No operator may use any pipe, valve, or fitting, for replacement in repairing pipeline facilities, unless it is designed and constructed as required by this part.

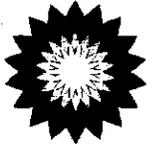
BP/Amoco failed to replace a portion of the Whiting to River Rouge pipeline in August 2005 with a segment of pipe that was designed and constructed as required by Part 195.

On August 26, 2005, a segment of pipe was replaced at MP 74.46 on the Whiting to River Rouge pipeline in a repair project. BP/Amoco used pre-tested pipe to replace existing pipe. BP/Amoco failed to properly design and construct this replacement in that BP/Amoco selected and installed pre-tested pipe that was not qualified for use based on the maximum operating pressure limitation of the pressure test on the pre-tested pipe. Acceptable design and construction with pre-tested pipe is highly dependent on the selection and installation of properly qualified materials in the replacement. The replacement pipe installed had not been pressure tested to a pressure to meet the maximum operating pressure of the pipeline. This segment of pipe was pressure tested to 1420 psig, which would have allowed a maximum operating pressure of 1136 psig. The current maximum operating pressure of the line at the time was 1440 psig. BP/Amoco operated the line from August 26, 2005 to May 16, 2007 with overpressure protection controls set for a maximum operating pressure of 1440 psig. On May 16, 2007, during an annual review of maximum operating pressures, BP/Amoco discovered that the pipe segment replaced at MP 74.46 would have allowed only an 1136 psig maximum operating pressure at MP 74.46. The maximum operating pressure at Whiting was immediately reduced to 1310 psig, which would assure that the pressure at MP 74.46 would not exceed 1136 psig under a worst case scenario. The high pressure shutdown control setpoint was reduced from 1490 psig to 1360 psig at this time also. This pipe segment was removed on July 17, 2007 with a pipe pressure tested to 1800 psig, which would allow the pipeline to return to a maximum operating pressure of 1440 psig.

Response

BP Pipelines does not believe that the pipe utilized in the pipeline was inappropriately designed and constructed for the service conditions in which it was employed. The pipe utilized on the project, per the BP Pipelines Repair & Inspection Report and mill certified test reports, was 12" diameter, 0.375" wall thickness, API 5L X-52, designed and constructed for a maximum pressure of 2,202 psig.

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BP Pipelines respectfully requests a hearing to contest the alleged violations and proposed civil penalties. BP Pipelines will be represented by counsel at the hearing.

BP Pipelines remains committed to working cooperatively with your office with the ultimate goal of further enhancing the safety of our operations. Please feel free to contact me directly, or alternatively Rob Knanishu (630-836-3498), should you have any questions pertaining to this matter.

Sincerely,

A handwritten signature in black ink that reads "David O. Barnes". The signature is written in a cursive, flowing style.

David O. Barnes
Manager DOT & Integrity