

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 24, 2013

Mr. Mike Pearson
Vice President – Technical Services
Magellan Pipeline Company, LP
One Williams Center
Tulsa, OK 74172

CPF 3-2013-5022W

Dear Mr. Mike Pearson:

On November 9 – 13, 2012, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected the Magellan Pipeline Company, LP (Magellan) Public Awareness Program in Tulsa, Oklahoma.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation is:

1. § 195.440 Public Awareness

(c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

Magellan failed to follow the general program recommendations of having an effectiveness evaluation of its Public Awareness Program every four years. During the inspection, Magellan presented an effectiveness evaluation of its Public Awareness Program. Based on the requirements of API RP 1162,

the effectiveness evaluation should have been completed by June 20, 2010. Magellan obtained survey data from a third party vendor, but did not begin its internal effectiveness evaluation of this data until January 2011. The effectiveness evaluation was subsequently completed sometime in 2011. According to Magellan representatives, the delay was due to personnel changes within the organization.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 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 identified in this letter. Failure to do so will result in Magellan 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 3-2013-5022W**. 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,

David Barrett
Director, Central Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*