

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 30, 2017

Mr. Michael Pearson
Sr. Vice President, Technical Services
Magellan Pipeline Company, LP
One Williams Center
PO Box 22186
MD 27
Tulsa, OK 74172

CPF 3-2017-5002W

Dear Mr. Pearson:

On August 30, 2016, a representative of the Minnesota Office of Pipeline Safety (MNOPS), acting as an interstate agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code investigated a spill at a trap at the Mankato Terminal in Mankato, Minnesota.

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

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 insure 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.**

Magellan Pipeline Company, LP personnel (Magellan) did not follow their procedure 9.01-ADM-110 *Performing Pigging Operations – Receiving Pigs* when they completed their maintenance work on a scraper trap and put it back in service.

Magellan was changing a corrosion coupon in a scraper trap and utilized procedure 9.01-ADM-110 to ensure that the trap was depressurized before changing out the coupon. Upon completion of any work to a trap, the procedure contains clear steps to be followed before placing the trap back into service. Step 11 of procedure 9.01-ADM-110 required the pressure warning device be secure and that the lock out/tag out be removed.

After Magellan completed changing out the coupon, the pressure warning device was not secured when they put the trap back into operation. A leak occurred at the pressure warning device resulting in a spill of approximately 0.2 barrels.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violation occurring between January 4, 2012 to August 1, 2016, 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. 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(s) identified in this letter. Failure to do so will result in Magellan Pipeline Company, LP 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 3-2017-5002W**. 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,

Allan C. Beshore
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration