

WARNING LETTER

VIA ELECTRONIC MAIL TO: Shawn M. Lyon – smylon@marathonpetroleum.com and Aaron Martinez – awmartinez@marathonpetroleum.com

December 16, 2020

Shawn M. Lyon
President
Marathon Pipe Line LLC
539 South Main Street
Findlay, Ohio 45840

CPF 3-2020-5033W

Dear Mr. Lyon:

From May 8th, 2017 through March 22nd, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your procedures, records, and pipeline facilities in the following operating areas: Wood River, Martinsville, Griffith, Patoka, Stoy, Clermont, Lima, Heath, Owensboro, Northeast, and East Sparta. The inspections covered assets in Illinois, Indiana, Ohio, Michigan, Pennsylvania, and Kentucky.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. §195.208 Welding of supports and braces.

Supports or braces may not be welded directly to pipe that will be operated at a pressure of more than 100 p.s.i.

Marathon welded several pipe supports directly to the pipe at the Louisville-Algonquin Terminal. This piping was immediately downstream of the pumps at that facility and would regularly see pressures above 100 psi. According to Marathon personnel, the piping in question

was installed in the early 2000's, making compliance with the requirements of §195.208 mandatory.

Marathon implemented a program to assess the pipe supports throughout their company as a result of this finding. Several pipe supports were visually inspected and assessed with non-destructive testing at the Louiseville-Algonquin Terminal, with no issues identified. Marathon's program requires them to either derate the line to operate below 100 psi or, if that is not practicable, remove the welded pipe support, reassess the pipe for integrity issues and repair as needed, and install a pipe support that complies with 49 CFR 195.

2. §195.412 Inspection of rights-of-way and crossings under navigable waters.

(a) Each operator shall, at intervals not exceeding 3 weeks, but at least 27 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.

Marathon failed to adequately inspect the surface conditions on or adjacent to their pipeline right of way near New Harmony, Indiana in May of 2017. Marathon utilized aerial patrol to fulfill the requirements of §195.412 but PHMSA personnel witnessed the right-of-way in such an overgrown state that inspecting it on foot would be challenging, let alone aerial patrol. Marathon generally cycles their areas on a three year rotation of right-of-way clearing. The area of right-of-way near New Harmony, Indiana was at the end of its three year cycle and was due to be cleared later in 2017, according to Marathon personnel. PHMSA personnel took photos of the area to illustrate the issue.

3. §195.573 What must I do to monitor external corrosion control?

(a) Protected pipelines. You must do the following to determine whether cathodic protection required by this subpart complies with §195.571:

(1) Conduct tests on the protected pipeline at least once each calendar year, but with intervals not exceeding 15 months. However, if tests at those intervals are impractical for separately protected short sections of bare or ineffectively coated pipelines, testing may be done at least once every 3 calendar years, but with intervals not exceeding 39 months.

Marathon failed to incorporate recent close interval survey (CIS) data in a timely manner for the 2017 annual test point survey for the Heath to Dayton line segment (Unit 12783), as required by their use of target pipe-to-soil potentials. Marathon's process for determining compliance with the requirements of §195.571 included establishing target potentials from CIS data and then using those targets instead of an on-off survey each year. A CIS was conducted in 2016 and that data took more than a year to get incorporated into the new target potentials for the area.

Additionally, Marathon designated certain points as “sharp point test points” where the soil voltage drop (IR) was considered to be 0 mV due to placement of the reference electrode adjacent to the pipe. There were several points identified as using this method that showed a shift in potential during the most recent CIS. This is indicative of IR being present and therefore it needed to be considered. Section 6.3.1 of NACE SP 0169, incorporated by reference, states “Placing the reference electrode next to the pipe surface may not be at the pipe-electrolyte interface. A reference electrode placed at an externally coated pipe surface may not significantly reduce soil voltage drop in the measurement if the nearest coating holiday is remote from the reference electrode location.” The records provided to PHMSA during the inspection did not demonstrate sufficient consideration of IR at these points.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, 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.

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 Marathon Pipe Line LLC 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 3-2020-5033W**. 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,

Gregory A. Ochs
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration