

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: TJ.Tuscai@nexteraenergy.com
Larry.Wall@nexteraenergy.com and William.Meyer@nexteraenergy.com

November 12, 2020

TJ Tuscai
President, Gas Infrastructure
USG Wheatland Pipeline, LLC
601 Travis Street,
Houston, TX 77002

CPF 3-2020-6003M

Dear Mr. Tuscai:

From June 10 through July 12, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected (Wheatland) procedures for construction, operations and maintenance, operator qualification, public awareness, damage prevention, facilities and storage, time dependent threats, and emergency response in Williston, North Dakota.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Wheatland's plans or procedures, as described below:

1. §195.230 Welds: Repair or removal of defects.

(a) Each weld that is unacceptable under §195.228 must be removed or repaired. Except for welds on an offshore pipeline being installed from a pipe lay vessel, a weld must be removed if it has a crack that is more than 8 percent of the weld length.

(b) Each weld that is repaired must have the defect removed down to sound metal and the segment to be repaired must be preheated if conditions exist which would adversely affect the quality of the weld repair. After repair, the segment of the weld that was repaired must be inspected to ensure its acceptability.

(c) Repair of a crack, or of any defect in a previously repaired area must be in accordance with written weld repair procedures that have been qualified under §195.214. Repair procedures must provide that the minimum mechanical properties specified for the welding procedure used to make the original weld are met upon completion of the final weld repair.

Wheatland's operation and maintenance (O&M) manual was inadequate because it did not have a procedure specifying repair or removal of weld defects as part of its construction procedures. Following the inspection, Wheatland developed and submitted procedure O&M Section 5.3.2.10 on September 5, 2019 that satisfactorily addressed this item. No further action is required.

2. §195.402 Procedural manual for operations, maintenance, and emergencies.

(d) Abnormal operation. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:

(3) Correcting variations from normal operation of pressure and flow equipment and controls.

Wheatland's O&M manual was inadequate because it did not have a procedure for correcting variations from normal operations of pressure flow equipment and controls. Wheatland must amend its O&M plan to include such a procedure as required by §195.402(d)(3).

3. §195.402(c)(3) Procedural manual for operations, maintenance, and emergencies.

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

§195.563 Which pipelines must have cathodic protection?

(c) All other buried or submerged pipelines that have an effective external coating must have cathodic protection. (see Note below) Except as provided by paragraph (d) of this section, this requirement does not apply to breakout tanks and does not apply

to buried piping in breakout tank areas and pumping stations until December 29, 2003

Wheatland's O&M manual was inadequate because it incorrectly required operator personnel to follow §195.565 and incorporated API 651 to determine whether cathodic protection is needed on breakout tanks instead of §195.563. Section 195.563 requires cathodic protection on all breakout tanks built after December 29, 2003. Wheatland must amend its O&M manual to include a procedure for determining whether cathodic protection is needed on breakout tanks in accordance with §195.563.

4. §195.402(c)(3) Procedural manual for operations, maintenance, and emergencies.

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

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

(d) Breakout tanks. You must inspect each cathodic protection system used to control corrosion on the bottom of an aboveground breakout tank to ensure that operation and maintenance of the system are in accordance with API RP 651 (incorporated by reference, see § 195.3). However, this inspection is not required if you note in the corrosion control procedures established under §195.402(c)(3) why complying with all or certain operation and maintenance provisions of API RP 651 is not necessary for the safety of the tank.

Wheatland's O&M manual was inadequate because it did not have a procedure for inspecting corrosion control on breakout tanks in accordance with §195.573. Wheatland must amend its O&M manual to include a procedure that addresses the requirements of §195.573.

5. §195.402(c)(3) Procedural manual for operations, maintenance, and emergencies.

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

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

(e) Corrective action. You must correct any identified deficiency in corrosion control as required by § 195.401(b). However, if the deficiency involves a pipeline in an integrity management program under § 195.452, you must correct the deficiency as required by § 195.452(h).

Wheatland's O&M manual was inadequate because it did not have a procedure specifying repair timing of corrosion control deficiencies. Following the inspection, Wheatland developed and submitted procedure O&M Section 5.3.1 on July 18, 2019, that satisfactorily addressed this item. No further action is required.

6. §195.402(c)(3) Procedural manual for operations, maintenance, and emergencies.

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

§195.585 What must I do to correct corroded pipe?

(a) General corrosion. If you find pipe so generally corroded that the remaining wall thickness is less than that required for the maximum operating pressure of the pipeline, you must replace the pipe. However, you need not replace the pipe if you--

(1) Reduce the maximum operating pressure commensurate with the strength of the pipe needed for serviceability based on actual remaining wall thickness; or

(2) Repair the pipe by a method that reliable engineering tests and analyses show can permanently restore the serviceability of the pipe.

(b) Localized corrosion pitting. If you find pipe that has localized corrosion pitting to a degree that leakage might result, you must replace or repair the pipe, unless you reduce the maximum operating pressure commensurate with the strength of the pipe based on actual remaining wall thickness in the pits.

Wheatland's O&M manual was inadequate because it did not have a procedure for repairing or replacing corroded pipe. Following the inspection, Wheatland developed and submitted procedure O&M Section 5.3.2.10 on September 5, 2019, that satisfactorily addressed this item. No further action is required.

7. **§195.402(c)(3) Procedural manual for operations, maintenance, and emergencies.**

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

§195.587 What methods are available to determine the strength of corroded pipe?

Under §195.585, you may use the procedure in ASME/ANSI B31G (incorporated by reference, see §195.3) or in PRCI PR-3-805 (R-STRENG) (incorporated by reference, see §195.3) to determine the strength of corroded pipe based on actual remaining wall thickness. These procedures apply to corroded regions that do not penetrate the pipe wall, subject to the limitations set out in the respective procedures.

Wheatland's O&M manual was inadequate because it did not have a procedure for determining the strength of corroded pipe in accordance with §195.587. Wheatland developed and submitted procedure O&M Section 5.3.2.2 on September 5, 2019 that satisfactorily addressed this item. No further action is required.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that USG Wheatland Pipeline, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Greg Ochs, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2020-6003M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

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

Cc: Larry Wall, Chief Commercial Officer, USG Wheatland Pipeline, LLC, 601 Travis Street, Houston, TX 77002, Larry.Wall@nexteraenergy.com

William (Bill) Meyer, Director, Asset Integrity and Regulatory Affairs, NextEra™ Energy Pipeline Services, 601 Travis, Suite 1900, Houston, TX 77002, William.Meyer@nexteraenergy.com