



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

MAR 29 2007

8701 South Gessner, Suite 1110
Houston, TX 77074

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 27, 2007

Mr. John Earley
Senior Vice President
Gulf South Pipeline
20 E. Greenway Plaza
Suite 900
Houston, Texas 77046

CPF 4-2007-1001M

Dear Mr. Earley:

During the weeks of January 23 – 27, and February 6 – 10, 2006, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your integrity management program in Houston, Texas.

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

1. **§192.7 What documents are incorporated by reference partly or wholly in this part? (a) Any documents or portions thereof incorporated by reference in this part are included in this part as though set out in full. When only a portion of a document is referenced, the remainder is not incorporated in this part.**

Gulf South must modify its procedures to justify deviations from "should" statements or recommendations in standards documents. Currently, this practice is not included in the definition of a "should" statement in Section 1.1.4 of the Gulf South IMP.

2. **§192.903 What definitions apply to this subpart? Potential impact radius (PIR) means the radius of a circle within which the potential failure of a pipeline could have significant impact on people or property. PIR is determined by the formula $r = 0.69 \sqrt{p \cdot d^2}$, where 'r' is the radius of a circular area in feet surrounding the point of failure, 'p' is the maximum allowable operating pressure (MAOP) in the pipeline segment in pounds per square inch and 'd' is the nominal diameter of the pipeline in inches.**

Note: 0.69 is the factor for natural gas. This number will vary for other gases depending upon their heat of combustion. An operator transporting gas other than natural gas must use section 3.2 of ASME/ANSI B31.8S-2001 (Supplement to ASME B31.8; ibid, see §192.7) to calculate the impact radius formula.

- A. Gulf South must modify its procedures to include process details to routinely re-evaluate the potential for gas streams that may exceed the 1100 BTU limit for lean natural gas. Failure to re-evaluate gas stream BTU characteristics could result in larger potential impact circles than have been analyzed for the identification of covered segments.
- B. Gulf South must modify its procedures to define PIR buffer tolerance in order to ensure potential impacts to buildings intended for human occupancy are adequately determined. The use of discrete building points without the addition of a conservative PIR buffer tolerance or actual building outlines can result in the exclusion of a dwelling intended for human occupancy in the 20 or more housing count criteria for identification of covered segments.

3. **§192.911 (a) An identification of all high consequence areas, in accordance with §192.905.**

§192.905 How does an operator identify a high consequence area? (a) General. To determine which segments of an operator's transmission pipeline system are covered by this subpart, an operator must identify the high consequence areas. An operator must use method (1) or (2) from the definition in §192.903 to identify a high consequence area. An operator may apply one method to its entire pipeline system, or an operator may apply one method to individual portions of the pipeline system. An operator must describe in its integrity management program which method it is applying to each portion of the operator's pipeline system. The description must include the potential impact radius when utilized to establish a high consequence area. (See appendix E.I. for guidance on identifying high consequence areas.)

Gulf South must revise its procedures in accordance with §192.905 (a) to ensure timely and routine acquisition of required data and the associated analysis to identify HCAs. The Gulf South IMP Section 3.1.2 describing the aerial photography indicated that new imagery will be obtained on an as-needed basis dependent on major changes in land use. This section also indicated that regular contacts with public officials will be maintained in order to obtain new information on identified sites. This process does not meet the intent of the regulation because HCAs and Identified Sites might well develop

in locations that do not undergo significant land use changes. Waiting till such time will surely result in missing HCAs. A specific timeframe for conducting these updates and contacts should be defined.

4. §192.911 (e) Provisions meeting the requirements of §192.933 for remediating conditions found during an integrity assessment.

§192.933 What actions must be taken to address integrity issues?

(b) Discovery of condition. Discovery of a condition occurs when an operator has adequate information about a condition to determine that the condition presents a potential threat to the integrity of the pipeline. A condition that presents a potential threat includes, but is not limited to, those conditions that require remediation or monitoring listed under paragraphs (d)(1) through (d)(3) of this section. An operator must promptly, but no later than 180 days after conducting an integrity assessment, obtain sufficient information about a condition to make that determination, unless the operator demonstrates that the 180-day period is impracticable.

(d) Special requirements for scheduling remediation.

(1) Immediate repair conditions. An operator's evaluation and remediation schedule must follow ASME/ANSI B31.8S, section 7 in providing for immediate repair conditions. To maintain safety, an operator must temporarily reduce operating pressure in accordance with paragraph (a) of this section or shut down the pipeline until the operator completes the repair of these conditions. An operator must treat the following conditions as immediate repair conditions:

(3) Monitored conditions. An operator does not have to schedule the following conditions for remediation, but must record and monitor the conditions during subsequent risk assessments and integrity assessments for any change that may require remediation:

(i) A dent with a depth greater than 6% of the pipeline diameter (greater than 0.50 inches in depth for a pipeline diameter less than NPS 12) located between the 4 o'clock position and the 8 o'clock position (bottom 1/3 of the pipe).

(ii) A dent located between the 8 o'clock and 4 o'clock positions (upper 2/3 of the pipe) with a depth greater than 6% of the pipeline diameter (greater than 0.50 inches in depth for a pipeline diameter less than Nominal Pipe Size (NPS) 12), and engineering analyses of the dent demonstrate critical strain levels are not exceeded.

(iii) A dent with a depth greater than 2% of the pipeline's diameter (0.250 inches in depth for a pipeline diameter less than NPS 12) that affects pipe curvature at a girth weld or a longitudinal seam weld, and engineering analyses of the dent and girth or seam weld demonstrate critical strain levels are not exceeded. These analyses must consider weld properties.

A. Gulf South must revise its procedures to ensure that it adequately describes what constitutes sufficient information in order to determine discovery of a condition. Gulf South's procedure Chapter 10 Anomalous Conditions, does not adequately describe what constitutes sufficient information to determine discovery. The IMP states in Section 7.2 that discovery occurs when sufficient information exists, but there is no detail on what constitutes sufficient information or who is involved in the discovery process.

B. Gulf South must revise its procedures to provide clear direction on handling both immediate and monitored conditions to ensure correction. The Gulf South IMP

does not have adequate direction on how and when pressure reductions are determined and implemented. When an immediate repair condition is discovered, a pressure reduction is expected to be implemented in a timely manner. The IMP does not clearly define how and when the operator is to take pressure reductions. The operator needs to ensure pressure is reduced before performing excavations.

- C. Gulf South must develop comprehensive procedures to document the process used for monitoring anomalies identified as "monitored conditions." Specific information must be generated defining expected growth rates, periodicity of monitoring activities, and defining responsible personnel.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Compliance 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). 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 a Final Order.

If, after opportunity for a hearing, 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. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 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.

In your correspondence on this matter, please refer to **CPF 4-2007-1001M** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration

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