



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 2, 2007

Mr. Randy Parker
President
Collins Pipeline Company
800 Bell Street, Room 623F
Houston, Texas 77002

CPF 4-2007-5027M

Dear Mr. Parker:

During April 9-13, 2007; April 23-27, 2007; and May 7, 2007 representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Collins Pipeline Company (Collins) procedures for Hazardous Liquid Integrity Management in Houston, TX.

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

1. **§195.452 Pipeline integrity management in high consequence areas**
 - (j) **What is a continual process of evaluation and assessment to maintain a pipeline's integrity?**
 - (5) **Assessment methods. An operator must assess the integrity of the line pipe by any of the following methods. The methods an operator selects to assess low frequency electric resistance welded pipe or lap welded pipe susceptible to longitudinal seam failure must be capable of assessing seam integrity and of detecting corrosion and deformation anomalies.**
 - (iii) **External corrosion direct assessment in accordance with §195.588**

§195.588 What standards apply to direct assessment?

(a) If you use direct assessment on an onshore pipeline to evaluate the effects of external corrosion, you must follow the requirements of this section for performing external corrosion direct assessment. This section does not apply to methods associated with direct assessment, such as close interval surveys, voltage gradient surveys, or examination of exposed pipelines, when used separately from the direct assessment process.

(b) The requirements for performing external corrosion direct assessment are as follows:

(1) **General.** You must follow the requirements of NACE Standard RP0502-2002 (incorporated by reference, see § 195.3). Also, you must develop and implement an ECDA plan that includes procedures addressing pre-assessment, indirect examination, direct examination, and post-assessment.

(3) **Indirect examination.** In addition to the requirements in Section 4 of NACE Standard RP0502-2002, the procedures for indirect examination of the ECDA regions must include--

(i) **Provisions for applying more restrictive criteria when conducting ECDA for the first time on a pipeline segment**

- A. Collins must modify their ECDA procedures regarding indication severity classification in the ECDA Plan Table A3.3 which does not appear to be as conservative as NACE RP-0502-2002 Table 3. NACE RP-0502-2002 Table 3 gives example severity criteria for several indirect inspection methods.
- B. Collins must modify their ECDA procedures to ensure that more restrictive criteria in addition to those required by NACE RP-0502-2002 are applied when conducting ECDA direct examination for the first time on a pipeline segment per §195.588. Collins has indicated that additional excavations will be conducted when conducting ECDA direct examinations for the first time on a pipeline segment; however, these additional excavations are a requirement of NACE RP-0502-2002 and, therefore, the IMP Rule. As such, the additional excavations do not represent "more restrictive criteria" as described in §195.588.

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 correspondence concerning this matter, please refer to **CPF 4-2007-5027M** 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*