



PLAINS

PIPELINE, L.P.

December 5, 2012

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration
8701 South Gessner, Suite 1110
Houston, TX 77074



Re: CPF 4-2012-5035M

Dear Mr. Sealy:

Plains Pipeline, L. P. (Plains) received a Notice of Amendment (NOA) from PHMSA, Southwest Region, dated November 6, 2012. This NOA was issued following an inspection of Plains Pipeline L.P.'s procedures for Telephonic Notification for Reportable Accidents following an accident that occurred October 11, 2011, in Hermleigh, Texas.

Plains has reviewed its spill records and cannot find a release that occurred on the October 11, 2011 date; however, we did find a release that occurred on November 13, 2011 that could be the event in question. Our records showed that a release of crude oil occurred on the Colorado City to Hamlin segment of our 22" Basin pipeline in the amount of 90 barrels. Additionally, after reviewing our total cleanup cost summary for 2011 (according to 195.52) we found our costs were \$49,035.13. It appears that the 7000-1 report on December 7, 2011 (No. 220110439-16439) mistakenly over reported a cost of \$75,000 which included inspection costs that were unrelated to the response and clean up.

While it appears Plains did not exceed the \$50,000 requirement for making the telephonic notification to NRC, we are going to do additional review of our financial records to confirm our cleanup costs and then file an amendment to the original 7000-1 report to reflect the actual dollar amount for our response. Furthermore, we have revised Section 403 of our O&M Manual to include language that more clearly states the requirement of 195.402(c)(2) and incorporates the telephonic guidelines provided in advisory bulletin ADB-D2-04. Section 403 is attached for your review.

We trust that this response fully satisfies the actions required by the NOA; however, if you have any questions or comments concerning our response, please contact Wayne Roberts at (432) 687-8915.

Respectfully,

Mr. Troy E. Valenzuela
Vice President, Environmental Health & Safety
Plains Pipeline, L.P.
333 Clay Street, Suite 1600
Houston, Texas 77002

Attachments:

- Section 403



PLAINS

**OPERATIONS &
MAINTENANCE
PROCEDURES
MANUAL**

Chapter

Normal Operating Procedures

Subject

Reporting Accidents & Safety
Related Conditions

Introduction

This Section will provide guidance to Plains Operation and Maintenance employees in defining, recognizing, evaluating and reporting Accidents and Safety Related conditions.

‘Plains’ has established its ‘Internal’ reporting requirements based upon its experience with normal, abnormal operating conditions, response to accidents and emergencies, and other daily O&M operations. ‘Plains’ has established External reporting requirements to concur with the Federal, State and Local agency governances.

**Internal
Notifications**

Whenever accidents are reported to the Pipeline Control Center (‘PCC’) (**800-708-5071**), the PCC will contact the appropriate District Manager. The pipeline system’s Pipeline Controller will then notify the immediate Supervisor Operations.

All safety related conditions should be reported to the District Manager. All accidents should be reported to Environmental and Regulatory Compliance (‘E&RC’), who will report to the appropriate Federal, State and/or Local agencies.

Once an accident has occurred consult the ERP for guidance on reporting. The accidents may be recorded in the ‘Plains’ “Confidential” Spill Reporting System (SRS), which can be accessed by ‘Plains’ employees only at <http://paahouiiis/webapps/login.asp>

No employee will report any accident or safety related condition to anyone, who is not authorized by the division Director, E&RC.

**Agency Reporting
Procedure**

Procedures for reporting accidents and identifying safety related conditions refer to procedure P-195.50-Reporting Accidents & Safety Related Conditions in Appendix C.

**Reportable
Accidents
§ 195.50**

Any failure in the pipeline system in which there is a release of a hazardous liquid resulting in any of the following should be reported to the appropriate regulatory agency:

- Explosion or fire not intentionally set by the operator.
- Loss of 5 or more gallons of hazardous liquid, except that no report is required for a release less than 5 barrels resulting from a pipeline maintenance activity if the release is:
 - Not otherwise reportable under other reporting requirements;
 - Was not released in any amount onto waters of the United States;
 - Is confined to company property or pipeline right-of-way; and,
 - Is cleaned up promptly.
- Death of any person.
- Personal injury necessitating hospitalization
- Estimated property damage to the property of the operator or others, or both, exceeding \$50,000.

Note: All relevant costs should be included in the estimated property damage total on the initial accident report as well as supplemental reports.

The costs include, but are not limited to:

- *Costs due to property damage to the operator's facilities and to property of others.*
- *Oil Product not recovered and returned to the pipeline.*
- *Facility repair and replacement.*
- *Right-of-Way cleanup.*
- *Environmental cleanup and damage.*

Note: Effective January 3, 2009 all regulated rural low stress and gathering pipeline identified segments that became subject to regulation effective July 3, 2008 are subject to the accident reporting requirements under 49 CFR 195.

For additional reporting requirements to agencies other than DOT, see the Emergency Response Plan ('ERP') and the Safety and Health Policy and Procedures Manual.

**Telephonic
Notice of
Accident
§ 195.52**

Certain accidents should be reported by telephone to the National Response Center (NRC) at the earliest practicable moment. Unless unusual circumstances exist, telephonic reports should be made within one (1) hour after discovery. This notification will be made by the Regulatory Compliance Department. If the Regulatory Compliance Department is not available to make the required telephonic notice, the notification will be made by the District Manager, or designee. Telephone notification should be given for any failure or release of a hazardous liquid that:

- Caused a death or a personal injury requiring hospitalization;
- Resulted in either an explosion or a fire not intentionally set by the operator;
- Caused estimated damage to the property of the operator or others, or both, exceeding \$50,000;
- Resulted in pollution of any stream, river, lake, reservoir, or other similar body of water that violated applicable water quality standards caused by discoloration of the surface of the water or adjoining shoreline, or deposited a sludge or emulsion beneath the surface of the water or upon adjoining shorelines;
- In the judgment of the operator was significant even though the failure or release of hazardous liquid did not meet the criteria of any other paragraph in this section.

Telephonic accident reports are to be made to the NRC in Washington, D.C., **(800) 424-8802 or (202) 267-2675**, and should include the following information:

- Name and address of the operator.
- Name and telephone number of the reporter.
- The location of the failure.
- The time of the failure.
- The fatalities and personal injuries, if any.
- All other significant facts known by the operator that is relevant to the cause of the failure or extent of the damages.

The 'Plains' representative making the NRC, should wait on the line with the NRC Operator, until the NRC Operator give the caller an "Incident Number", which will be submitted to the division Director, E&RC, or designee, as soon as practical.

An accident report number will be assigned to the report by the NRC. This number should be referenced in any subsequent communications with the NRC concerning the accident. If in doubt about the criteria for calling the NRC, make the call and give the person on duty what information you have at the time.

If the accident was telephonically reported to NRC, but is found later not to be a telephonically reportable incident, the following procedure should be followed by a representative of the Regulatory Compliance Department, as soon as practical: Submit a letter to NRC, which includes the NRC report number, date of spill/release, and a brief statement as to the circumstances surrounding the incident, including why the incident does not meet the requirement to be telephonically reported to the NRC.

If a telephonic report of an incident is not made to the NRC within the 1-hour reporting threshold because information at the time of the incident does not meet the criteria for a telephonic report, but information at a later time [during the emergency response phase](#) ,) becomes available that meets the criteria for telephonic reporting, a telephonic report will be made. The emergency response phase is generally considered the 24-hour period following incident discovery but in certain cases could be longer. However, a telephonic report will not be made if information meeting the NRC telephonic reporting thresholds is received outside the emergency response phase,. The original 7000-1 written report or supplemental report to the original report (if information becomes available more than 30 days after incident discovery) will explain why a telephonic report was not made during the emergency response phase.

[Additional telephonic notification to the NRC is required if during the emergency response phase of the incident, significant changes occur in the estimated amount of product released, the estimated number of fatalities and injuries, the extent of environmental damage, or the extent of property damage. As guidance, examples of significant changes would include:](#)

- [Any increase in the number of fatalities or injuries](#)

- A revised estimate of product released that is at least 10 times greater than the volume originally reported
- An increase in estimated property damage that is at least 10 times greater than originally reported
- Pollution of any stream, river, lake, reservoir, other similar body of water not originally reported

The 7000-1 report can be made electronically or mail the letter to the address shown on page 6 below.

- Written Reports**
§ 195.54 (a) All reportable accidents should be reported in writing as soon as practical, but not later than 30 days after discovery of the accident. The written report should be filed on DOT Form 7000-1.
- Supplemental Reports**
§ 195.54 (b) If the information reported on DOT Form 7000-1 changes, or if additional relevant information has been obtained concerning the accident, a supplemental report should be filed no later than 30 days after acquiring the additional information. DOT Form 7000-1 should be used to report supplemental accident reports. The "Supplemental" box should be checked at the top of the form to indicate that the report is a supplement to a previously filed report.
- Reporting Safety Related Conditions**
§195.55 Safety related conditions should be reported that occur on an active pipeline or pipeline facility that is:
- General corrosion that has reduced the wall thickness to less than that required for the maximum operating pressure, and localized corrosion pitting to a degree where leakage might result.
 - Unintended movement or abnormal loading of a pipeline by environmental causes, such as an earthquake, landslide, or flood that impairs its serviceability.
 - Any material defect or physical damage that impairs the serviceability of a pipeline.
 - Any malfunction or operating error that causes the pressure of a pipeline to rise above 110 percent of its maximum operating pressure.
 - A leak in a pipeline that constitutes an emergency.

- *Any safety-related condition that could lead to an imminent hazard and causes (either directly or indirectly by remedial action of the operator), for purposes other than abandonment, a 20 percent or more reduction in operating pressure or shutdown of operation of a pipeline.

Safety related conditions that do not require reporting:

- Exists on a pipeline that is more than 220 yards (200 meters) from any building intended for human occupancy or outdoor place of assembly, except that reports are required for conditions within the right-of-way of an active railroad, paved road, street, or highway, or that occur offshore or at onshore locations where a loss of hazardous liquid could reasonably be expected to pollute any stream, river, lake, reservoir, or other body of water;
- Is an accident that is required to be reported under §195.50 or results in such an accident before the deadline for filing the safety-related condition report; or
- Is corrected by repair or replacement in accordance with applicable safety standards before the deadline for filing the safety-related condition report, except that reports are required for all conditions under paragraph (a)(1) of this section other than localized corrosion pitting on an effectively coated and cathodically protected pipeline.

Note:

- a) When one or more anomalies included in the final report of an in-line inspection require that the pipeline pressure be reduced 20% from the operating pressure to comply with the requirements of §195.452, this pressure reduction will not automatically require the filing of a safety related condition report under the last paragraph* above. In the case of ILI anomalies, a determination of whether a safety related condition report needs to be filed will be determined on the following basis: The anomaly is determined to be in a location that potentially may require the submittal of a SRCR; the anomaly is exposed and evaluated; and the evaluation determines that the severity of the anomaly supports a 20% reduction - if the anomaly is not repaired within 5 working days (not including Saturdays, Sundays or Federal holidays), a SRCR will be filed; or,*
- b) If investigations of several anomalies within the same final ILI report verify that the actual severity measurements from the field investigations support the measurements given in the final ILI report, based on this information a SRCR will be submitted for any anomaly*

not yet investigated that is determined to be in a location that would require the submittal of a SRCR.

Effective January 3, 2009 all regulated rural low stress and gathering pipeline identified segments that became subject to regulation effective July 3, 2008 should be subject to the safety related condition reporting requirements above.

- *A safety related condition does not have to be reported if:*
- It does not meet the above criteria.
- It is corrected by repair or replacement in accordance with applicable safety standards before the deadline for filing the safety related conditions report, except that reports are required for all corrosion conditions under 49 CFR 195.55 (a) (1), other than localized corrosion pitting on an effectively coated and cathodically protected pipeline.

To prepare for recognizing safety related conditions while performing operations and maintenance on the pipeline and pipeline facilities, all employees should read and study the information in this Section.

**Filing Safety
Related
Conditions
Reports
§195.56(a)(b)**

'Plains' employees are to follow these instructions when reporting a Safety Related Condition.

Each report of a safety-related condition under §195.55(a) should be filed (received by the Administrator) in writing within 5 working days (not including Saturdays, Sundays, or Federal holidays) after the day a representative of the operator first determines that the condition exists, but not later than 10 working days after the day a representative of the operator discovers the condition. Separate conditions may be described in a single report if they are closely related. To file a report by facsimile (fax), dial (202) 366-7128.

The report should be headed "Safety-Related Condition Report" and provide the following information:

- Name and principal address of operator.
- Date of report.
- Name, job title, and business telephone number of person submitting the report.

- Name, job title, and business telephone number of person who determined that the condition exists.
- Date condition was discovered and date condition was first determined to exist.
- Location of condition, with reference to the State (and town, city, or county) or offshore site, and as appropriate nearest street address, offshore platform, survey station number, milepost, landmark, or name of pipeline.
- Description of the condition, including circumstances leading to its discovery, any significant effects of the condition on safety, and the name of the commodity transported or stored. .
- The corrective action taken (including reduction of pressure or shutdown) before the report is submitted and the planned follow-up or future corrective action, including the anticipated schedule for starting and concluding such action.

All written reports to DOT/OPS/PHMSA are to mailed to:

Information Resources Manager

Office of Pipeline Safety, Research and Special Programs

Administration

Pipeline Hazardous Materials Safety Administration

U.S. Department of Transportation

Room 7128

400 Seventh Street SW

Information Resources Manager

PHP-10

1200 New Jersey Avenue SE

Washington, DC 20590-0001

[Admt.195-90 74 FR 2889, January 16, 2009]

Responsibilities All Employees should:

- Read and understand their responsibility for recognizing and reporting any accident or safety related condition as defined in this O&M procedure.
- Report all accidents to the Pipeline Control Center (PCC) or Supervisor Operations.
- Report any safety related condition to the District Manager.

Pipeline Controller should:

- Report all accidents to the Console Manager and District Manager, or designee.

Manager Console should:

- Be familiar with the Department of Transportation (DOT) reporting regulations for reporting accidents and safety related conditions; and, understand what information should be gathered during a report of an accident.

District Manager should:

- Be familiar with the DOT recognitions and reporting regulations for accidents and safety related conditions and respond accordingly.
- Ensure that all district employees have received recognition of safety related conditions training.
- Be responsible for assuring that a record of accidents and safety related conditions are maintained regardless of whether or not the incident is reportable to a government agency.
- Report Leaks and accidents to the Regulatory Compliance Department.
- Gather all pertinent information concerning the accident and make this information available to the Director, E&RC, for use when completing PHMSA/State agency reporting requirements (DOT Form 7000-1).
- Conduct a thorough Post Accident Review of all accidents/incidents and determine whether, or not, further investigations utilizing 'Plains' Integrity Management Plan, Section 12.7.2, Root Cause Analyses if needed. The results of these reviews, performance measurements and audits, including all follow up recommendations, will be reported to the 'Plains' Engineering Department for further evaluations.
- For Pipeline Accident analysis, refer to procedure P-195.402(c)(5)-(e)(9)-Analyzing Pipeline Accidents in Appendix C of this O&M Manual.
- Follow up on any recommendations that may have been recommendations, which may have been made as part of the investigations and/or reviews.
- For reporting to PHMSA in the absence of the Director, Environmental & Regulatory Compliance, or designee.

Director, Environmental & Regulatory Compliance, or designee should:

- Make all telephonic reports and any documented reports made to government agencies.
- Make all final determinations on whether, or not, an accident has occurred; or, a safety related condition has been correctly identified.
- Manage all correspondence between 'Plains' and PHMSA/State agency, which is related to accidents and safety related conditions.
- Report any spill events into the Plains Spill Reporting System (SRS) which can be accessed at <http://paahouiiis/webapps/login.asp>.

The Vice President, EH&S, is responsible for the security and data maintenance of the 'Plains' "Confidential" Spill Reporting System (SRS).

Frequency

All reportable accidents should be reported in writing as soon as practical, but not later than 30 days after discovery of the accident.

Record Keeping

All DOT Form 7000-1 records will be maintained by the Senior Director, E&RC.

All other reports should be submitted to the Division's PHMSA Records Specialist, and as directed by the District Manager.

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