



**James M. Barnum**  
Vice President

**Chevron Pipe Line Company**  
4800 Fournace Place  
Bellaire, TX 77401-2324  
Tel (713) 432-6174  
Jbarnum@chevron.com

June 25, 2014

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



**RE: Chevron Pipe Line Company – Federal OPID No. 02731  
NOPV-PCP-PCO, CPF No. 4-2014-5012**

Dear Mr. Seeley:

On May 27, 2014, Chevron Pipe Line Company (“CPL”) (Federal OPID No. 02731), received the captioned Notice of Probable Violation (“NOPV”), Proposed Civil Penalty (“PCP”) and Proposed Compliance Order (“PCO”) from the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) dated May 21, 2014. On November 14, 2013, there was an excavation-related incident on the West Texas LPG Pipeline System, which is operated by CPL, near Milford, TX. PHMSA’s Office of Pipeline Safety (“OPS”) conducted an accident investigation and inspected CPL’s related damage prevention practices.

In accordance with the “Response Options for Pipeline Operators in Compliance Proceedings” enclosed with the NOPV, CPL is not contesting the violations and will pay the PCP and comply with the PCO. CPL is including in this response its plan and timeline for compliance with the PCO. CPL is committed to maintaining the highest standards in the safe and prudent operation of its pipelines and had already planned on its own initiative to undertake the majority of the recommendations in the PCO prior to receiving the NOPV. The purpose of this response is to provide further information to demonstrate CPL’s commitment to safety and operational excellence, as well as its commitment to cooperate fully with PHMSA as it relates to these matters.

#### **Response to Notice of Proposed Violation**

The NOPV sets forth three probable violations: (1) CPL did not carry out its written program to prevent damage to pipeline in accordance with 49 C.F.R. § 195.442; (2) CPL did not perform post-accident drug testing within the timeframe required by 49 C.F.R. § 199.105; and (3) CPL did not perform post-accident alcohol testing within the timeframe required by 49 C.F.R. § 199.225. As discussed in more detail below, CPL has already commenced many of the compliance requirements set forth in the PCO to prevent future excavation-related incidents. With respect to the post-accident drug and alcohol testing, CPL is initiating training and notice to all affected personnel to ensure that all employees are aware of and comply with the post-accident drug and alcohol testing timeframes.

### **Response to Proposed Civil Penalty**

As discussed above, CPL has elected not to contest the alleged violations and accordingly will provide electronic payment of the PCP in the amount of \$158,400. CPL desires to continue its cooperation with PHMSA to ensure ongoing compliance and pipeline safety.

### **Response to Proposed Compliance Order**

1. **Revisions to Damage Prevention Procedures.** PCO Item 1 requires CPL to revise its damage prevention procedures to ensure that all excavation-related activities receive the same level of response and risk management to prevent damage to pipeline facilities. CPL informs PHMSA that it had already completed revisions to its written procedures on December 17, 2014. CPL's Vice President and General Manager of Operations issued a company-wide mandate that "All 811 calls (One Call) locate requests must be managed consistently - whether we are marking the pipelines for ourselves, or 2<sup>nd</sup> or 3<sup>rd</sup> party. CPL must follow the locate requests directions fully even if we generated the 811 call. This means marking and/or flagging all CPL lines for our own projects."

2. **Investigation of Abandoned Pipeline.** PCO Item 2 requires CPL to perform further investigation to determine the disposition of the abandoned pipeline that was replaced by the installation of the 10-inch Loop Line in 1988. CPL is further required to determine whether any similar locations exist within the West Texas LPG System and develop a mechanism to accurately identify such abandoned lines during the locating process. CPL expects to complete this compliance requirement by December 31, 2014. CPL is currently reviewing documentation to determine the disposition of abandoned pipelines, not only for the 10-inch Loop Line but for all active West Texas LPG systems.

3. **Method for Physical Marking and Identification.** PCO Item 3 requires CPL to provide a method for physical marking and identification in the field for all CP test stations in rights-of-way containing parallel or multiple lines in the West Texas LPG System to identify the pipeline to which the test station is connected. Item No. 3 further requires CPL to update the DeLorme Mapping system with this information. CPL has already communicated to all affected employees that, while performing pipeline marking, company representatives must reference the most recent alignment sheets, which can be found electronically. Current tools that assist company representatives in the pipeline marking process can continue to be used as supplemental information. If the information is different than the system of record, the DIG (Data, Integrity & GIS) area representative must be contacted. However, CPL will not be updating the DeLorme Mapping system because it is not a system of record that is supported by CPL for line locating; it may only be used as supplemental information for CPL's corrosion control program. The company representative fulfilling the locate requests must identify all company maintained pipelines and mark each pipeline appropriately. CPL expects to complete this PCO requirement by December 31, 2014.

4. **Submission of Revised Procedures.** PCO Item 4 requires CPL to submit all procedures that have been revised per Items 1 through 3 in their entirety in final form to PHMSA, Southwest Region for review. CPL expects to submit the final revised procedures to PHMSA by August 31, 2014.

5. **Employee Training.** PCO Item 5 requires CPL to carry out training for all affected employees to cover the procedural revisions resulting from the PCO, specifically including supervisory personnel. Item 5 further requires CPL to submit a training plan to PHMSA which identifies the affected

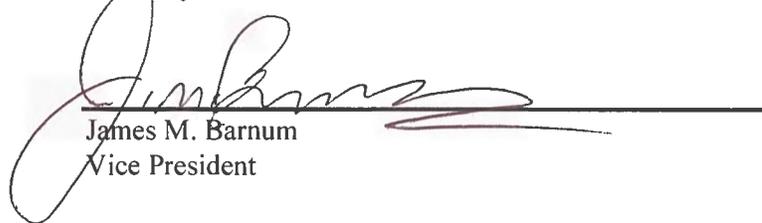
procedures and proposed training schedule for approval prior to implementation. CPL expects to submit the proposed training plan and schedule for PHMSA approval by September 30, 2014.

6. **Deadline for Compliance.** PCO Item 6 requires CPL to complete Items 1 through 5 no later than 90 days after issuance of the Final Order. We have included our completed expectation dates for items 1 through 5.

7. **Documentation of Compliance Costs.** PCO Item 7 requests, but does not mandate, that CPL maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mr. R.M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. PHMSA that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure. CPL agrees to maintain the cost data and will provide the final cost data to Mr. Seeley within two months following the completion of all compliance activities.

Thank you for your consideration of CPL's response to the Notice of Proposed Violation, Proposed Civil Penalty and Proposed Compliance Order, and we look forward to continuing our cooperative relationship with your office. If you have any questions regarding these responses, please contact Mr. Gary Saenz at 713-432-3332 (office) or 281-450-5523 (cell).

Sincerely,



James M. Barnum  
Vice President

cc: G. Saenz, CPL Team Leader  
J. Oveson, CPL AM  
J.R. Burke, CPL DOT Specialist  
J. Youngblood, CPL Supervising Counsel