PLAINS
PIPELINE, L.P.

February 11, 2016

RECEIVED
FEB 16 2015
BY:

Mr. Rodrick M. Seeley
Regional Director – Southwestern Region
Pipeline and Hazardous Material Safety Administration
8701 South Gessner Road, Suite 1110
Houston, Texas 77074-2949

Re: Notice of Probable Violation and Proposed Civil Penalty CPF 4-2016-5001

Dear Mr. Seeley:

Plains All American Pipeline, LP (Plains) is in receipt of PHMSA's letter dated January 6, 2016 transmitting a Notice of Probable Violation (NOPV) and penalties stemming from an investigation related to the January 1, 2015 accident at the Plains Basin Facility in Midland, Texas involving the Mesa to Basin 12" pipeline. Plains received the letter by United States Postal Service Certified Mail delivery on January 13, 2016. In accordance with 49 C.F.R. Part 190, Subpart B (190.201-190.243), Response Options for Pipeline Operators in Enforcement Proceedings, Plains has elected to follow I. – Procedures for Responding to a NOTICE OF PROBABLE VIOLATION: (a)(3) which is contesting one or more of the items in the Notice and/or seeking elimination or mitigation of the proposed civil penalty. Below are each of the violations presented in the January 13, 2016 letter from PHMSA along with Plains' responses.

Response to the Probable Violations Identified in NOPV CPF-2016-5001

Plains Pipeline LP (Plains) failed to carry out its Written Damage Prevention Program (Plains Operations and Maintenance Manual Appendix C) and to follow its Pipeline Excavation/Ditching and Backfill Procedure (PAALP-ENG-SPC-PRW-042) on four separate occasions. Plains' failure to follow their procedures resulted in outside force damage which lead to the failure of 500 barrels of crude oil from their Mesa to Basin 12" pipeline on January 1, 2015.

The four separate occasions include

1) ***Plains Pipeline LP (Plains) failed to carry out its Written Damage Prevention Program (Plains Operations and Maintenance Manual Appendix C) and to follow its Pipeline Excavation/Ditching and Backfill Procedures (PAALP-ENG-SPC-PRW-042) to provide temporary marking of its buried pipeline upon receipt of the initial one call ticket on August 14, 2014.***

Plains Response:

Plains contends that Plains personnel complied with the Written Damage Prevention Program for both marking pipelines and re-marking pipelines following the locator instructions on the Texas 811 ticket.

To make this point it is important to understand that the Plains Basin and Mesa facilities are managed by two different entities under Plains All American Pipeline, L.P. Basin is managed by Plains Pipeline, L.P. and Mesa is managed by Plains Marketing, L.P. Each facility has its own line locator staff and areas of responsibilities when responding to an 811 ticket. On August 14, 2014, Strike Construction, LLC made the initial 811dig requests providing the correct driving directions north of the intersection of Interstate Highway I-20 and Elkins Road. The 811 operator mistakenly issued the ticket using the "Business"I-20 intersection which automatically assigned the latitude/longitude location issued on the ticket. Subsequently, the Call Directing Codes (CDC) identified by the lat/long coordinates limited the ticket to a boundary north of Business I-20 road. (See attached map). Not knowing that the "Basin" line locator personnel did not receive the same or different ticket, the Plains "Mesa" line locator followed the orders and instructions for the ticket he received and marked the pipelines in his area of responsibility based on the CDC generated by the 811 notice. In subsequent 811 renewals, the "Mesa" line locator, again, performed his duties as required by Plains' Written Damage Prevention Program. Because the CDC location did not incorporate the Basin area, no ticket was received by the "Basin" line locator staff.

2) ***Plains failed to carry out its Written Damage Prevention Program (Plains Operations and Maintenance Manual Appendix C 5c) to immediately correct the incorrect information on the one call ticket, nor did they refresh their line markings after marking the line on September 5, 2014.***

Plains Response:

At the beginning of the project, on August 14, 2014 Strike Construction LLC requested the first line location through the one call system. As outlined above, the 811 operator issued the ticket with the erroneous location instruction, which was received by the Plains Mesa office. The Mesa line locator drove to the location based on the lat/long coordinates on the ticket and then contacted Strike notifying him that the location he was marking in accordance with the 811 ticket instructions was different from the location of the construction site. According to Texas Administrative Code Title 16, Part 1, Chapter 18, it is then the responsibility of the excavator (Strike) to notify the 811 operator of any incorrect information on the ticket. In this case, Strike did not call the 811 operator to correct the error, therefore, Plains complied with all written plans and regulations.

With regards to the issue of remarking the line, it is important to understanding that line markers get stepped on or run over, therefore, State one-call programs require renewing tickets so line markers are checked and refreshed. However, on September 5, 2014 the Basin District Manager, unaware that the line wasn't being marked through the one call system (see above explanation), noticed the work in the vicinity of the 12" pipeline without visible markers so in an abundance of caution, had one of his staff members mark the line. Because the Basin District Manager's marking request was not initiated

through the 811 program, correction of the location and subsequent renewals did not trigger re-marking the pipeline.

3) ***Plains failed to follow its Pipeline Excavation/Ditching and Backfill Procedures (PAALP-ENG-SPC-PRW-042 Section 6) to determine the depth of cover over its buried pipeline and share the information with the excavator operator when marking the line on September 5, 2014.***

Plains Response:

The referenced procedure (PAALP-ENG-SPC-PRW-042 Section 6) is written and intended for new construction as well as bell hole type excavations, such as may be found in pipeline inspection, repair or short replacements done as a maintenance function. This procedure does not apply in the incident scenario; it was not new construction involving existing piping, nor were there plans to excavate the pipeline or the necessity to conduct a bell hole or pothole examination of the 12" pipeline since it was approximately 45 feet from the construction area. The pipeline was located and marked at the direction of the Plains District Manager per Plains' Procedure P-105.442 (a) Pipeline Locating for Permanent Line Marker and Temporary Marking Placement, and Locator Training. This procedure provides the location for the contractor/excavator, and as long as the marks are honored and properly regarded, this locating/marking procedure will provide adequate protection for the pipeline. It is prevailing industry practice to refuse to make available any depth information to the contractor/excavator. While the new electronic, multi-frequency locating equipment provides quick and user-friendly locating, the depth accuracy cannot be guaranteed. Therefore, industry practice has found that giving even an approximate or unconfirmed depth to an excavator will cause the excavator to make unwarranted assumptions and influence him to dig (unsafely) into the perceived tolerance zone and thereby compromise the locate integrity. Therefore, Plains marked the line as required, in good faith that the excavator would prudently honor the marks and would not penetrate the surface with mechanical equipment as required by Texas one-call law.

4) **Plains failed to carry out its Written Damage Prevention Program (Plains Operations and Maintenance Manual Appendix C Page 4) to provide for inspection of the Mesa to Basin, 12" pipeline during the excavation activity that led to the damage of the pipeline. Plains Engineering and Basin personnel were relying on a contract construction inspector to observe and inspect the pipeline excavation activities for the duration of the Sunrise Project (August – October 2014).**

Response:

Plains' Written Damage and Prevention Program (Plains Operation and Maintenance Manual Appendix C Page 4) states that a "Company representative" must be present at all times during any excavation within 10 feet of Company pipelines or above ground facilities. Company representative is defined as a contract inspector as long as said inspector is not an employee of the company performing the excavation; in essence, a true third-party inspector representing Plains. The third-party inspector

representing Plains during the subject excavation activities was contracted through Tulsa Inspection Services. The excavation contractor was Strike Construction, LLC. Plains met its procedural requirements by providing an objective third-party inspector Company Representative.

While Plains feels strongly that its employees and contractors followed all of the procedures outlined in our Operations and Maintenance Manual, Written Damage Prevention Program and Engineering Standards, through additional investigations we have made corrective actions to assure that these types of event do not happen again. Therefore, the following has been implemented:

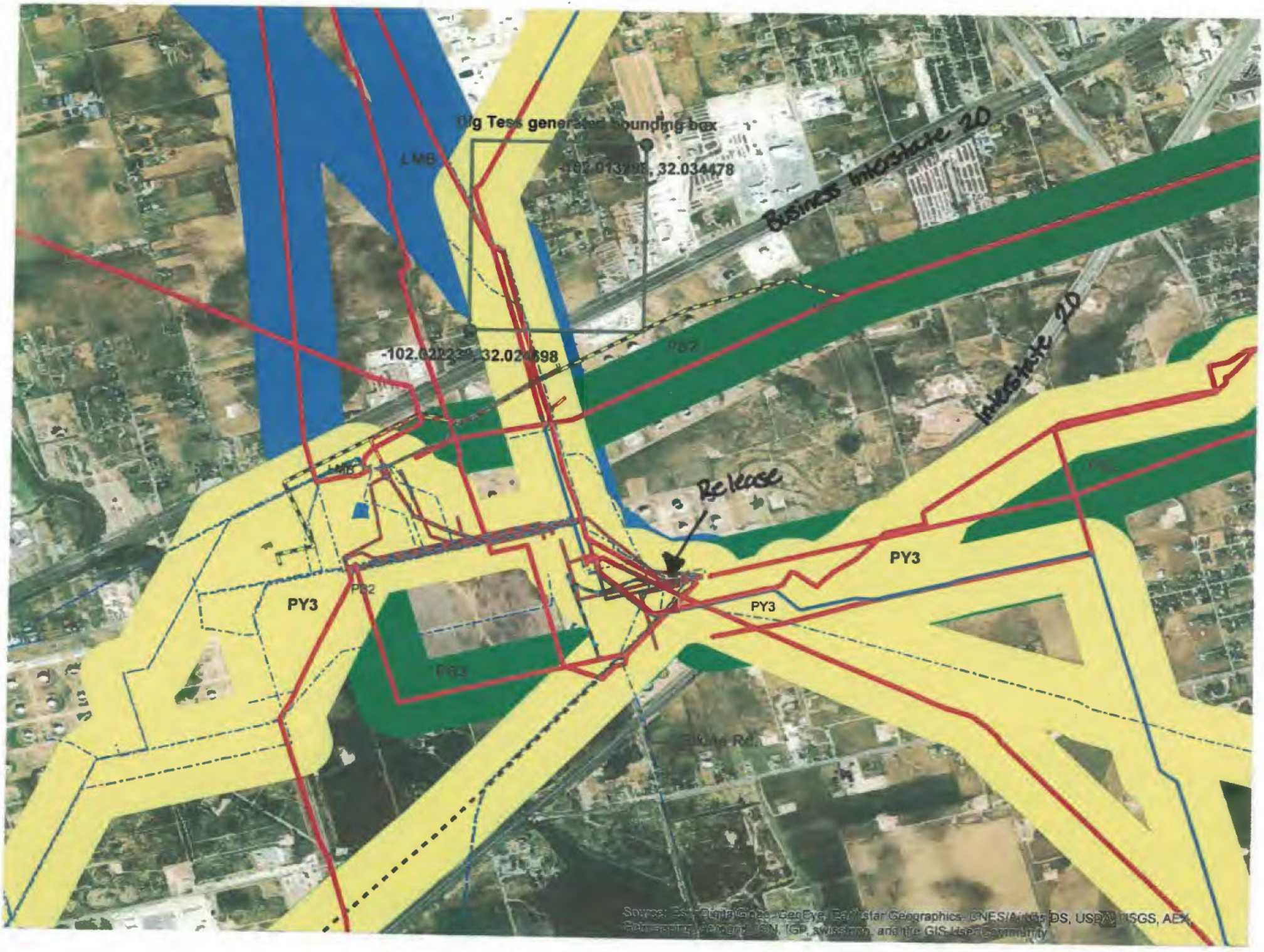
- The CDC coordinates have been restructured for this area so that both Basin and Mesa districts receive overlapping notifications for 811 calls.
- On 8-11-15 changed leadership and re-assigned new personnel to a newly formed (2014) Damage Prevention and Public Awareness department.
- Incorporated "line strikes" and "non-compliance" into the Plains Contractor Review program.
- Revised and updated the Written Damage Prevention Program (12-1-15).
- Provided expanded training for line locator personnel with Utility Training Academy.
- 811 Training program to be reinforced with our contractor on-board program. This includes videos and training booklets.

Plains has a good overall compliance standing with PHMSA and in fact has a long history of compliance and corporate responsibility with respect to the requirements of the Pipeline Safety Regulations (49 CFR Part 192-199) nationwide. Plains stands by its assertion that applicable procedures were ultimately followed. Plains further asserts that the work performed in the field during this incident was adequate and damage to the pipeline occurred because it was outside the scope and control of the line locating process, which stemmed from the CDC data because of the incorrect coordinates assigned by the 811 operator. For the reasons mentioned above and the actions taken after the event, Plains requests that PHMSA reconsider the issuance of this NOPV and any associated penalties.

Respectfully,

Wm. Dean Gore Jr.
Managing Director, Environmental and Regulatory Compliance

Attachment:
Map


Dig Tess generated bounding box
LMB
-102.013298, 32.034478
Business Interstate 20
-102.022239, 32.024698
PB2
Interstate 20
Release
PY3
PY3
PY3
PB2
PB3
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community