



PLAINS
PIPELINE, L.P.

May 31, 2016

Certified Mail No: 7010 1870 0001 4873 1051

Mr. Rodrick M. Seeley
Regional Director – Southwestern Region
Pipeline and Hazardous Material Safety Administration
8701 S. Gessner, Suite 630
Houston, Texas 77074



**Subject: Notice of Probable Violation, Proposed Civil Penalty, and
Proposed Compliance Order CPF 4-2016-5015
Plains Pipeline, L.P.**

Dear Mr. Seeley:

On May 2, 2016, Plains Pipeline, L.P. (Plains), received a Notice of Probable Violation (Notice), Proposed Civil Penalty (Penalty), and Proposed Compliance Order (Order) CPF 4-2016-5015 dated April 28, 2016, from Pipeline and Hazardous Materials Safety Administration (PHMSA) concerning a PHMSA integrated investigation of Plains pipelines in Illinois, Louisiana, New Mexico, Oklahoma, and Texas. This letter represents Plains' responses to the Notice and Order. Each Notice violation is (1) listed below with the same number in the Notice, (2) paraphrased for brevity, (3) identified by boldface *italic* text, and (4) followed by the corresponding Plains response. For completeness the Notice, Penalty, and Order are included as Enclosure 1. The following are Plains responses to the Notice and Order:

- 1. 49 Code of Federal Regulations (CFR) 195.412–Failure to properly maintain right-of-way (ROW) on Red River Pipeline around Tribbey Station to allow for aerial inspection.***

Plains Response: The Notice stated that during a field inspection at Tribbey Station the PHMSA inspector observed “. . . high overgrowth vegetation; large trees with canopies overhanging the ROW that obscure the surface conditions adjacent to the (Red River Pipeline) ROW from observation by aerial surveillance.” Plains district manager for this pipeline and station was present during this August 2014 PHMSA field inspection and recalled the PHMSA inspector's concern about tree canopy—specifically a small grove of trees—overhanging the pipeline southwest of the station. The district manager tried to explain to the PHMSA inspector that the tree canopy did not overhang the pipeline ROW because the pipeline skirted to the west of the small grove of trees. Regardless, an aerial photograph of Tribbey Station dated March 9, 2014—about 5 months prior to the PHMSA field inspection—is included as Enclosure 2. This aerial photograph clearly shows: (1) red river pipeline alignment, (2) no tree canopy over hanging the pipeline, and (3) that the pipeline could be inspected by aerial surveillance.

Therefore, Plains is contesting this Violation and objects to Item 1 in the Order because the ROW around Tribbey Station was clear of tree canopy at the time of the 2014 PHMSA field audit and did not obscure the surface conditions adjacent to Red River Pipeline from observation by aerial surveillance. The aerial photograph in Enclosure 2 supports Plains position regarding this Violation and Order Item 1.

2. 49 CFR 195.440–Failure to manually operate mainline valve at south side of Deep Fork River on Red River Pipeline from September 2011 to present.

Plains Response: The Notice stated “Valve maintenance records for the (Payson) to Ellis (segment of Red River) pipeline indicated the valve on the south side of the Deep Fork River 10” had not been adequately inspected to verify it was functioning properly” from September 2011 to the present because:

- Inspection Data–Items 8b and 8c on the valve inspection forms (form) indicated “not applicable” for manual operation and “unsatisfactory” for actuator operation, respectively.
- Description of Unsatisfactory Condition–Item 9 on the forms indicated electricity was not connected to the actuator, so the valve could not be operated using the actuator motor.

During the August 2014 field inspection of Red River Pipeline the PHMSA inspector notified Plains of his concerns about inspections for this valve from September 2011 to the present. Immediately following this field inspection, Plains interviewed the operator responsible for inspecting this valve and found for the period in question he had properly inspected the valve and had operated it using the actuator hand wheel, which is a manual operation. The operator said he completed the forms in the manner described above because he was confused on how this unique situation should be reflected on the forms. He thought checking “unsatisfactory” in Item 8c for actuator motor operation would indicate (1) he had manually operated the valve using the actuator hand wheel and (2) there also was an unsatisfactory condition with the actuator electrical connection, which he described in Item 9 of the forms. Therefore, the operator confirmed he had manually operated this valve during each inspection for the period addressed in the Notice. To correct future inspection form errors for this unique situation the operator received instruction on how to properly fill out the form prior to the next scheduled inspection, which was completed September 8, 2014. Enclosure 3 contains the properly completed form for the September 8, 2014 inspection of the valve on the south side of the Deep Fork River 10.”

Therefore, Plains is contesting this Violation because the explanation provided confirms the valve was manually operated, although the form was improperly completed and did not clearly indicate manual operation. However, Plains does not object to Item 2 in the Order because the form in Enclosure 3 documents the valve was manually operated

according to Plains inspection procedure on September 9, 2014, which satisfies the action and documentation required for this Order item.

3. 49 CFR 195.505–Failure to operate mainline valve with coordination and consent of control center during PHMSA field audit of Red River Pipeline

Plains Response: Plains does not contest this Violation and does not object to Item 3 in the Order. As required by the Order, Plains retrained the operator who had performed the mainline valve inspection during the August 2014 PHMSA field inspection. This retraining on Covered Task 20.0–Mainline Valve Inspection was done as required under Plains Operator Qualification Plan and included both written examination and performance verification. The performance verification of this covered task by the operator was done under direct observation of a subject matter expert. Also as required by the Order, documentation showing the operator was retrained and is able to perform valve inspections according to the Plains procedure is include as Enclosure 4.

4. 49 CFR 195.571–Failure to meet cathodic protection criterion for several points on Buffalo Pipeline for at least two sequential annual surveys

Plains Response: The Notice stated “Plains did not meet the specified criterion for several points on the Buffalo Pipeline system for at least two sequential annual surveys” and included a table listing 42 test stations and associated cathodic protection (CP) data (for example: description, pipe-to-soil potential, instant-off potential, and a PHMSA assigned sequential number) from 2013 and 2014 annual CP surveys—two footnotes to this table indicated 2012 annual CP survey data also were considered for several of these test stations. Further, the Notice identified negative 850 millivolts (-850 mV) of ohmic potential (IR) drop for the IR free (instant off) measurement as the CP criterion Plains failed to meet. Although the -850 mV instant-off criterion was not met for these test stations, PHMSA failed to evaluate whether they met the second CP criterion allowed in National Association of Corrosion Engineers SP0169-2007, which is incorporated by reference in 49 CFR 195.571.

This second CP criterion is a minimum negative polarization voltage (pipe-to-soil) shift of 100 mV (-100 mV criterion). The -100 mV criterion is determined by measuring the polarization decay, which is calculated by subtracting the native voltage potential measurement from the instant-off measurement. Enclosure 5 is an excerpt from Plains Operations and Maintenance Manual (O&M Manual) which addresses the -100 mV criterion. The table included as Enclosure 6 provides the -100 mV criterion measurements for each test station in the Notice from the 2013 and 2014 CP annual surveys. It should be noted that none of these test stations were located on Buffalo Pipeline as the Notice had indicated; therefore, the table also includes a column that identifies the correct pipeline for each test station. The table also shows -100 mV criterion for all of these test stations either was (1) met for both years or (2) brought under adequate CP within the allowable timeframe. As shown in the O&M Manual excerpt (Enclosure 5), the allowable timeframe to correct low pipe-to-soil potentials is prior to completion of the next annual CP survey.

Therefore, Plains is contesting this Violation and objects to Item 4 in the Order because Plains provided adequate CP at each test station listed. The annual CP survey data provided as Enclosure 6 supports Plains position regarding this Violation and Order Item 4. For these reasons Plains also is requesting elimination of the Penalty for this Violation.

5. 49 CFR 195.573–Failure to check rectifiers BU-012 and BU-013 on Laverne to Stockholm pipeline segment at least six times during 2013

Plains Response: The Notice stated Plains 2013 rectifier inspection records indicated rectifiers BU-012 and BU-013 for Lavern to Stockholm Pipeline were only checked five times. The 2013 inspection records are included as Enclosure 7 and show Plains inspected rectifiers BU-012 and BU-013 six times with intervals not exceeding 2 ½ months.

Therefore, Plains is contesting this Violation and objects to Item 5 in the Order because rectifiers BU-012 and BU-013 were inspected as required during 2013. The 2013 inspection records provided in Enclosure 7 supports Plains position regarding this Violation and Order Item 5.

Plains takes seriously its obligations with respect to the requirements of pipeline safety regulations and we appreciate, in advance, the opportunity to present this response for your consideration. In summary for the above noted reasons, Plains requests PHMSA rescind Violations 1, 2, 4, 5; cancel Order Items 1,4, 5; and eliminate the Penalty associated with Violation 4.

Sincerely,



Wm. Dean Gore, Jr.
Vice President, Environmental & Regulatory Compliance

Enclosures (7)

cc: Jennifer Gray, Plains
Jerry Mackey, Plains
John Shelton, Plains
Kevin Cunningham, Plains
Monty Morris, Plains
Thomas McLane, Plains
Tim Wharry, Plains
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