

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 25, 2017

Mr. Alan Armstrong
President, Chief Executive Officer
Williams Olefins Feedstock Pipelines, LLC
One Williams Center
Tulsa, Oklahoma 74172

CPF 4-2017-5002M

Dear Mr. Armstrong:

On August 17-20 2015, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Williams Olefins Feedstock Pipelines' procedures for operations and maintenance in Houston, Texas.

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

1. §195.202 Compliance with specifications or standards.

Each pipeline system must be constructed in accordance with comprehensive written specifications or standards that are consistent with the requirements of this part.

§195.266 Construction records.

A complete record that shows the following must be maintained by the operator involved for the life of each pipeline facility:

(a) The total number of girth welds and the number nondestructively tested,

- including the number rejected and the disposition of each rejected weld.**
- (b) The amount, location; and cover of each size of pipe installed.**
- (c) The location of each crossing of another pipeline.**
- (d) The location of each buried utility crossing.**
- (e) The location of each overhead crossing.**
- (f) The location of each valve and corrosion test station.**

Williams' Procedure No. 7.13-ADM-002, 'Pipeline Drawing and Data Management Program', is inadequate in that it does not require retention of some construction records as specified by §195.266, for the life of the pipeline.

Williams' procedure indicates that maps and records of (1) crossings of public roads, rivers, buried utilities and foreign pipelines, (2) pipeline valves and (3) diameter, grade, type and nominal wall thickness of all pipe, will be maintained, but it did not require retaining of these records for the life of the pipeline.

Moreover, Williams' procedure is inadequate in that it does not require retention of (1) the amount, location and cover of each size of pipe installed, (2) location of each overhead crossing and (3) location of each valve and corrosion test station, for the life of the pipeline.

2. § 195.202 Compliance with specifications or standards.

(See above)

§ 195.234 Welds: Nondestructive testing.

(e) All girth welds installed each day in the following locations must be nondestructively tested over their entire circumference, except that when nondestructive testing is impracticable for a girth weld, it need not be tested if the number of girth welds for which testing is impracticable does not exceed 10 percent of the girth welds installed that day:

(1) At any onshore location where a loss of hazardous liquid could reasonably be expected to pollute any stream, river, lake, reservoir, or other body of water, and any offshore area;

(4) Within the limits of any incorporated subdivision of a State government; and

(5) Within populated areas, including, but not limited to, residential subdivisions, shopping centers, schools, designated commercial areas, industrial facilities, public institutions, and places of public assembly.

(f) When installing used pipe, 100 percent of the old girth welds must be nondestructively tested.

Williams' Procedure No. WE-ADM-002, 'Scope and Definition', is inadequate in that it does not require nondestructive testing of girth welds on some of the locations specified by § 195.234 and it does not require 100 percent nondestructively testing of old girth welds when installing used pipe.

Williams must revise its procedure to require all girth welds installed each day in the following locations to be nondestructively tested over their entire circumference, except that when nondestructive testing is impracticable for a girth weld, it need not be tested if the number of girth welds for which testing is impracticable does not exceed 10 percent of the girth welds installed that day:

- (1) At any onshore location where a loss of hazardous liquid could reasonably be expected to pollute any stream, river, lake, reservoir, or other body of water, and any offshore area;
- (2) Within the limits of any incorporated subdivision of a State government; and
- (3) Within populated areas, including, but not limited to, residential subdivisions, shopping centers, schools, designated commercial areas, industrial facilities, public institutions, and places of public assembly.

Also, Williams must revise its procedure to require that when installing used pipe, 100 percent of the old girth welds must be nondestructively tested.

3. § 195.202 Compliance with specifications or standards.

(See above)

§ 195.302 General requirements

- (a) Except as otherwise provided in this section and in § 195.305(b), no operator may operate a pipeline unless it has been pressure tested under this subpart without leakage. In addition, no operator may return to service a segment of pipeline that has been replaced, relocated, or otherwise changed until it has been pressure tested under this subpart without leakage.**

Williams' Procedure No. SIP-ADM-7.07 'Pressure Testing' is inadequate in that it does not require pressure testing without leakage a segment of pipeline that has been replaced and prior to being placed into service.

Williams must revise its procedure to require a segment of pipeline that has been replaced, relocated, or otherwise changed not to return to service until it has been pressure tested without leakage under Subpart E of the Code.

4. **§ 195.202 Compliance with specifications or standards.**

(See above)

§ 195.308 Testing of tie-ins.

Pipe associated with tie-ins must be pressure tested, either with the section to be tied in or separately.

Williams' Procedure No. 7.07-ADM-005 'Pressure Testing USA Hazardous Liquids Pipelines' and Procedure no. SIP-ADM-7.07 'Pressure Testing' are inadequate in that it does not include requirements specified by § 195.308.

Williams must revise its procedures to require pressure testing of pipe, attached fittings and attached components associated with tie-ins.

5. **§ 195.402 procedural manual for operations, maintenance, and emergencies.**

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

§ 195.424 Pipe movement

(c) No operator may move any pipeline containing highly volatile liquids where materials in the line section involved are not joined by welding unless—

(1) The operator complies with paragraphs (b) (1) and (2) of this section; and

(2) That line section is isolated to prevent the flow of highly volatile liquid.

Williams' Procedure No. 7.08-ADM-019 'Pipeline Movement', is inadequate in that it does not include requirements specified by § 195.424 (c).

Williams must revise its procedure to require any pipeline containing highly volatile liquids where materials in the line section involved are not joined by welding not to be moved unless: (1) The operator complies with paragraphs § 195.424 (b)(1) and § 195.424 (b)(2) and (2) That line section is isolated to prevent the flow of highly volatile liquid.

6. **§ 195.402 Procedural manual for operations, maintenance, and emergencies.**

(a) See above.

§ 195.403 Emergency response training.

(c) **Each operator shall require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under 195.402 for which they are responsible to ensure compliance.**

Williams' Procedure No. SIP-ADM-12.01 'Emergency Response and Planning' is inadequate in that it does not include requirement for ensuring supervisors that they are knowledgeable on emergency response procedures for which they are responsible.

Williams must revise its procedure to require supervisors to be trained on emergency response procedures for which they are responsible.

7. **§ 195.402 Procedural manual for operations, maintenance, and emergencies.**

(c) **Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**

(3) **Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

§ 195.406 Maximum operating pressure.

(a) **Except for surge pressures and other variations from normal operations, no operator may operate a pipeline at a pressure that exceeds any of the following:**

(1) **The internal design pressure of the pipe determined in accordance with § 195.106. However, for steel pipe in pipelines being converted under § 195.5, if one or more factors of the design formula (§ 195.106) are unknown, one of the following pressures is to be used as design pressure:**

(i) **Eighty percent of the first test pressure that produces yield under section N5.0 of appendix N of ASME B31.8, reduced by the appropriate factors in §§ 195.106 (a) and (e); or**

(ii) **If the pipe is 123/4 inch (324 mm) or less outside diameter and is not tested to yield under this paragraph, 200 p.s.i. (1379 kPa) gage.**

(2) **The design pressure of any other component of the pipeline.**

(3) **Eighty percent of the test pressure for any part of the pipeline which has been pressure tested under subpart E of this part.**

(4) Eighty percent of the factory test pressure or of the prototype test pressure for any individually installed component which is excepted from testing under § 195.305.

(5) For pipelines under §§ 195.302(b)(1) and (b)(2)(i) that have not been pressure tested under subpart E of this part, 80 percent of the test pressure or highest operating pressure to which the pipeline was subjected for 4 or more continuous hours that can be demonstrated by recording charts or logs made at the time the test or operations were conducted.

Williams' Procedure No. 7.10-ADM-007 'Maximum Operating Pressure', is inadequate as they had paraphrased §195.406(a).

Williams must revise its procedure to include a more robust and detailed process for establishing the maximum operating pressure allowed for Williams' in accordance with §195.406.

8. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(c)(3) See above.

§ 195.557 Which pipelines must have coating for external corrosion control?

Except bottoms of above ground breakout tanks, each buried or submerged pipeline must have an external coating for external corrosion control if the pipeline is –

(b) Converted under § 195.5 and—

(1) Has an external coating that substantially meets § 195.559 before the pipeline is placed in service; or

(2) Is a segment that is relocated, replaced, or substantially altered.

Williams' Procedure No. 7.09-ADM-002 'Conversion of Service' is inadequate in that it does not include requirements specified by § 195.557(b).

Williams must revise its procedure to require coating of pipelines converted under § 195.5 and has an external coating that substantially meets § 195.559 before the pipeline is placed in service or converted under § 195.5 and is a segment that is relocated, replaced, or substantially altered.

9. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(c)(3) See above.

§ 195.563 Which pipelines must have cathodic protection?

(a) Each buried or submerged pipeline that is constructed, relocated, replaced, or

otherwise changed after the applicable date in § 195.401(c) must have cathodic protection. The cathodic protection must be in operation not later than 1 year after the pipeline is constructed, relocated, replaced, or otherwise changed, as applicable.

Williams' Procedure No. 7.04-ADM-016 'External Corrosion Control Program', Section 2.5 which states temporary cathodic system shall be provided as soon as practical during construction and a permanent Cathodic Protection system shall be provided within one year of completed construction is inadequate in that it does not specify when cathodic protection must be operational on relocated, replaced, or otherwise changed pipelines.

Williams must revise its procedure to require that the cathodic protection must be in operation not later than 1 year after the pipeline is relocated, replaced, or otherwise changed.

10. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(c)(3) See above.

§ 195.573 What must I do to monitor external corrosion control?

(a) Protected pipelines. You must do the following to determine whether cathodic protection required by this subpart complies with § 195.571:

(2) Identify not more than 2 years after cathodic protection is installed, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE SP 0169 (incorporated by reference, see § 195.3).

Williams' Procedure No. 7.04-ADM-016 'External Corrosion Control Program', Section 2.6.3 inadequate in that it does not include requirements specified by § 195.573(a)(2).

Williams must revise its procedure to identify not more than 2 years after cathodic protection is installed, the circumstances in which a close-interval survey or comparable technology is practicable and necessary to accomplish the objectives of paragraph 10.1.1.3 of NACE SP 0169.

11. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(c)(3) See above.

§ 195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?

(e) If a pipeline is in close proximity to electrical transmission tower footings, ground cables, or counterpoise, or in other areas where it is reasonable to foresee fault currents or an unusual risk of lightning, you must protect the pipeline against damage from fault currents or lightning and take protective measures at insulating devices.

Williams' Procedure No. 7.04-ADM-016 'External Corrosion Control Program', Section 2.9.6 is inadequate as they had paraphrased §195.575(e).

Williams must revise its procedure to include detailed process to give sufficient guidance for determining when protection against damage from fault currents or lightning is needed and how that protection must be installed.

12. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(13) Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.

Williams' Procedure No. SIP-ADM-9.01 'Operations and Maintenance' is inadequate in that it does not include requirements specified by § 195.402(c)(13).

Williams must revise its procedure to require periodic review of the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and to require taking corrective action when deficiencies are found during the review process. Also, the procedure must have a detailed process on how to conduct the periodic review of the work done by operator personnel.

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 45 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.

It is requested (not mandated) that Williams Company maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2017-5002M** 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*