

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 20, 2017

Mr. Frank Cassulo
President
Whitecap Pipeline Company L.L.C
1400 Smith Street
Houston, TX 77002

CPF 4-2017-7005M

Dear Mr. Cassulo:

From May 16-19, 2017, and July 10-13, 2017, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Whitecap Pipeline Company (Whitecap) procedures for operation and maintenance in Houston, Texas.

On the basis of the inspection, PHMSA has identified the apparent inadequacy found within Whitecap's procedures, as described below:

1. §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.

§195.587 What methods are available to determine the strength of corroded pipe?

Under §195.585, you may use the procedure in ASME/ANSI B31G (incorporated by reference, *see* §195.3) or in PRCI PR-3-805 (R-STRENG) (incorporated by reference, *see* §195.3) to determine the strength of corroded pipe based on actual remaining wall thickness. These procedures apply to corroded regions that do not penetrate the pipe wall, subject to the limitations set out in the respective procedures.

Whitecap failed to state in its internal corrosion control manual, the method that will be used to determine the strength of internally corroded pipe based on actual remaining wall thickness as required by §195.587.

PHMSA inspectors reviewed section 6.5, “Inspection of Removed Pipe” of Whitecap’s internal corrosion control manual, and found that the procedure stated in the manual did not give sufficient guidance for personnel to evaluate the strength of pipe that has been discovered to be internally corroded. One or more of the methods (ASME/ANSI B31G, PRCI PR-3-805 (R-STRENG)) required by §195.587 was identified in Chevron’s Integrity Management manual. Chevron excluded Whitecap Pipeline from its integrity management program based on PHMSA FAQ 19.

Whitecap should amend its procedure for “Inspection of Removed Pipe” to include the method that will be used to determine the strength of internally corroded pipes based on actual remaining wall thickness or at the least cross reference section 5.6 of Chevron’s Integrity Management manual in its Internal Corrosion Manual.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If 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. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 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 Whitecap Pipeline 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 Terri J Binns, Acting Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2017-7005M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Terri J. Binns
Acting Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*