

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 14, 2018

Richard Keyser
Senior Vice President of Operations
Gulf Crossing Pipeline Company, LLC
9 Greenway Plaza, Suite 2800
Houston, Texas 77046

CPF 4-2018-1017W

Dear Mr. Keyser:

On April 18, 2017 through June 29, 2017, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected the Gulf Crossing Pipeline in Texas, Oklahoma, and Louisiana.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violation is:

§192.605 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

Gulf Crossing failed to comply with three Conditions included in their special permit issued under PHMSA Docket Number: PHMSA-2008-0068 dated December 31, 2007. PHMSA granted a

Special Permit to Gulf Crossing Pipeline Company, LLC (GCPC) and Gulf South Pipeline Company LP (GSPC) that includes 47 Construction, Operations, and Maintenance conditions imposed through the permit process and requires Conditions 3, 7 through 14, 16, 18, and 21 through 47 be included in Gulf Crossing's written operating and maintenance procedures manual.

Written procedures for Boardwalk Pipeline Partners, LP, Supplemental Requirements, Section 11010 Alternative MAOP Permit Lines, outlines the additional requirements imposed on the Special Permit pipelines, including Gulf Crossing Pipeline. These additional requirements or conditions were developed and approved through the Special Permit application and development process outlined in §190.341 Special permits.

During the PHMSA inspection, records regarding Dig #2 of Project Number 8370 were reviewed and found inadequate to meet the terms of the special permit and conditions as follows:

A. Condition 7 of PHMSA-2008-0068 requires the application of a corrosion resistant coating to the steel pipe that must be subject to a coating application quality control program. The program must address pipe surface cleanliness standards, blast cleaning, application temperature control, adhesion, cathodic disbondment, moisture permeation, bending, minimum coating thickness, coating imperfections and coating repair.”

GCPC failed to document the applied coating condition at Dig #2 of Project Number 8370. From the review of the ‘Anomaly Investigation Dig Packets for 2015 ILI Mira to Sterlington,’ there were several key data elements from Form #8000-01 that were not addressed in Section 5 – Recoat Information. From the form, the elements not provided are: the method of surface preparation, method of coating application, and final dry film thickness of the coating.

B. Condition 8 of PHMSA-2008-0068 for field coatings, requires “A field girth weld joint coating application specification and quality standards to ensure pipe surface cleanliness, application temperature control, adhesion quality, cathodic disbondment, moisture permeation, bending, minimum coating thickness, holiday detection and repair quality must be implemented in field conditions. Field joint coatings must be non-shielding to cathodic protection (CP). Field coating applicators must use valid coating procedures and be trained to use those procedures.”

GCPC did not properly document required repair data and the information was not available during the inspection. From the limited documentation, it was determined that the location is at milepost 15053 + 18 (wheel count/station 529402.52) located at Latitude 32.6865624 and Longitude-92.2885739.

C. Condition 16 of PHMSA-2008-0068, Depth of Cover requires “The soil cover must be a minimum depth of 36 inches in all areas.” In areas where threats from chisel plowing or other activities are threats to the pipeline, the top of the pipeline must be installed at least one foot below the deepest penetration above the pipeline. If routine patrols or other observed conditions indicate the possible loss of cover over the pipeline, GCPC and GSPC

will perform a depth of cover study and replace cover as necessary to meet the minimum depth of cover requirements specified herein.”

Gulf Crossing failed to document the depth of cover at Dig #2 of Project Number 8370. From the review of the ‘Anomaly Investigation Dig Packets for 2015 ILI Mira to Sterlington,’ there were several key data elements from of Form #8000-01 that were not addressed in Section 2 – Facility Information. From the form, this section is required to be completed. The depth of cover at this pipeline segment is to be maintained at minimum 36 inches of cover. A review of the document has the depth of cover entered as ‘N/A’ and the facility was below grade.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$213,268 per violation per day the violation persists, up to a maximum of \$2,132,679 for a related series of violations. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Gulf Crossing Pipeline Company, LLC being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2018-1017W**. 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).

Sincerely,

Mary L. McDaniel, P.E.
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration