



U.S. Department
of Transportation

**Research and
Special Programs
Administration**

Office of the
Chief Counsel

400 Seventh St., S.W.
Washington, D.C. 20590

09-14-04A10:34 RCVD

JUL - 1 2004

Andrew K. Turner
Vice President, Operations
ExxonMobil Pipeline Company
800 Bell Street
Houston, TX 77002

Re: CPF No. 5-2003-5006

Dear Mr. Turner:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It withdraws one of the allegations of violation and the associated compliance order and finds that you have addressed the inadequacies in your procedures that were cited. Therefore, you need not take any further action with respect to the matters in this case. This enforcement action is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

cc: Ms. Karen Bailor
Manager, Operations Integrity Department

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590

In the Matter of)
)
ExxonMobil Pipeline Company,)
)
Respondent.)
_____)

CPF No. 5-2003-5006

FINAL ORDER

On October 8-10 and November 21, 2002, pursuant to 49 U.S.C. § 60117, a representative of the Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of ExxonMobil Pipeline Company's (Respondent's) facilities and records in Montana. As a result of the inspection, the Director, Western Region, OPS, issued to Respondent, by letter dated January 30, 2003 a Notice of Probable Violation, Proposed Compliance Order, and Notice of Amendment (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent committed violations of 49 C.F.R. Part 195 and proposed that Respondent take certain measures to correct the alleged violations. The Notice also alleged inadequacies in Respondent's operations, maintenance, and emergencies (OM&E) procedures and proposed in accordance with 49 C.F.R. § 190.237 that Respondent amend its procedures.

Respondent responded to the Notice by letter dated March 17, 2003 (Response). Respondent contested the allegations, offered information in explanation of the allegations, and requested a hearing. The hearing was held on September 21, 2003 in Denver, Colorado.

WITHDRAWAL OF ALLEGATION

Item 3 of the Notice alleged that Respondent violated 49 C.F.R. § 195.571 by failing to consider voltage drops in determining the adequacy of the cathodic protection on its lines. The corrosion control provisions of the pipeline safety regulations incorporate NACE Standard RP0169-96 and require operators using the 850 mV negative cathodic potential criterion to correct for voltage drop in order to arrive at valid interpretations of their pipe-to-soil measurements. The value of the voltage drop and the methods of correcting for it must be determined by selecting and applying sound engineering methods. The universally accepted method is to interrupt the flow of current at the rectifier and measure the magnitude of the voltage drop using the "instant off" technique. Once measured, the voltage drop may be used for correcting future pipe-to-soil measurements at the same location as well as other test points in the area provided conditions such as soil characteristics and coating quality remain constant. When the instant off method is impracticable or otherwise

determined inappropriate for a particular pipeline or pipeline section, the use of extrapolation methods to determine the polarized potential of pipe structures and computerized survey techniques are also acceptable methods of accounting for voltage drop.

In its response and at the hearing, Respondent demonstrated that its cathodic protection practices in effect accounted for voltage drops. Specifically, Respondent demonstrated that up-to-date close-interval electrical survey data for the entire pipeline and comprehensive information on the output levels of all impressed current rectifiers along with other corrosion control records were integrated with other relevant operational data and analyzed for the purpose of determining the adequacy of the cathodic protection on its pipelines. Based on an extrapolation analysis of this data, Respondent's corrosion specialist concluded that if all environmental factors remained constant and the annual pipe-to-soil measurements and rectifier outputs maintained their current levels, a determination that voltage drops had been accounted for was warranted with respect to the subject pipeline. Having considered this information demonstrating substantial compliance with the regulation, I am withdrawing this allegation of violation and the Proposed Compliance Order associated with it.

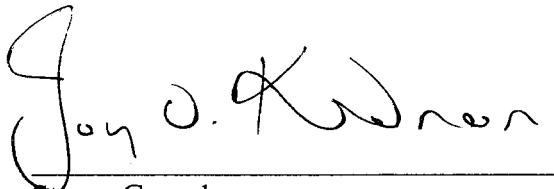
AMENDMENT OF PROCEDURES

Item 2 of the Notice alleged that Respondent's written OM&E procedures were inadequate in that they failed to describe Respondent's method for considering voltage drops in interpreting its annual pipe-to-soil measurements and failed to indicate how it was to be implemented by its personnel. Under § 195.402, operators must have written procedures implementing the OM&E requirements in Part 195. In its response, Respondent demonstrated that NACE Standard RP0169-96 was referenced in its OM&E manual. Respondent, however, failed to demonstrate that the manual being used by its field personnel at the time of the inspection described its process for considering voltage drops in a manner that would have permitted the OPS inspector to evaluate the capacity of this process to produce valid results or determine whether it had been fully implemented and followed by the responsible personnel. After the hearing, Respondent submitted documents demonstrating that it had amended its OM&E manual to direct the systematic use of an extrapolation method to assess and monitor the polarized potential of pipe structures. Specifically, Respondent's revised procedures require annual pipe-to-soil measurements to be plotted against the measurements for the preceding three years and require any significant deviations to be investigated and corrected. The Director, Western Region, OPS has reviewed the revised procedures and accepted them as adequate in light of the fact that Respondent's practice of performing comprehensive cathodic protection data collection and integration (see Item 3 discussion above) has demonstrated satisfactory results. Accordingly, I find that Respondent's original procedures as described in the Notice were inadequate to ensure the safe operation of its pipeline system, but that Respondent has corrected the identified inadequacies. Because Respondent's actions have satisfied the proposed amendment of procedures, it is unnecessary to issue an order directing amendment of Respondent's procedures.

WARNING ITEM

The Notice did not propose a civil penalty or corrective action for Item 1. Therefore, it is considered a warning item. Respondent presented information its response and at the hearing showing that it has addressed the cited item. Respondent is again warned that if OPS finds a violation for this item in a subsequent inspection, enforcement action will be taken.

Under 49 C.F.R. § 190.215, Respondent has a right to submit a petition for reconsideration of this Final Order. The petition must be received within 20 days of Respondent's receipt of this Final Order and must contain a brief statement of the issue(s). The terms and conditions of this Final Order are effective on receipt.

for


Stacey Gerard
Associate Administrator
for Pipeline Safety

JUL - 1 2004

Date Issued