



U.S. Department
of Transportation

Pipeline and Hazardous
Materials Safety
Administration

1200 New Jersey Avenue, SE
Washington, D.C. 20590

DEC 3 2013

Mr. Todd Denton
President
Phillips 66 Pipeline LLC
3010 Briarpark Drive
Houston, Texas 77042

Re: CPF No. 5-2013-5011

Dear Mr. Denton:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and finds that Phillips 66 Pipeline LLC, has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, Director, Western Region, OPS
Mr. Todd Tullio, Regulatory Compliance Manager, Phillips 66 Pipeline LLC

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

_____)
In the Matter of)

Phillips 66 Pipeline LLC,)

Respondent.)
_____)

CPF No. 5-2013-5011

FINAL ORDER

On November 26-30, 2012, pursuant to 49 U.S.C. § 60117, a representative of the Washington Utilities and Transportation Commission (WUTC), as agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Phillips 66 Pipeline LLC (Phillips or Respondent) in Spokane, Washington. Phillips owns and operates more than 12,000 miles of pipelines throughout the United States and transports both raw and finished petroleum products, including crude oil, propane and refined products.¹ The WUTC inspection covered the Spokane to Moses Lake segment of the Phillips 66 (P66) Yellowstone Pipe Line in Spokane, Washington.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated August 23, 2013, a Notice of Probable Violation and Proposed Compliance Order (Notice), which also included a warning pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Phillips had violated 49 C.F.R. § 195.573(a)(1) and proposed ordering Respondent to take certain measures to correct the alleged violation. The warning items required no further action, but warned the operator to correct the probable violations or face possible enforcement action.

Phillips responded to the Notice by letters dated October 1, 2013, and October 23, 2013 (collectively, Response). The company did not contest the allegation of violation but provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

¹ Phillips 66 Pipeline LLC, website, *available at* <http://www.phillips66pipeline.com/EN/Pages/index.aspx> (last accessed November 4, 2013).

FINDING OF VIOLATION

In its Response, Phillips did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.573(a)(1), which states:

§ 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:

(1) Conduct tests on the protected pipeline at least once each calendar year, but with intervals not exceeding 15 months. However, if tests at those intervals are impractical for separately protected short sections of bare or ineffectively coated pipelines, testing may be done at least once every 3 calendar years, but with intervals not exceeding 39 months.

The Notice alleged that Respondent violated 49 C.F.R. § 195.573(a)(1) by failing to conduct tests on cathodically-protected pipelines at least once each calendar year, but with intervals not exceeding 15 months. Specifically, the Notice alleged that Phillips failed to test several cathodic protection test stations on its Spokane to Moses Lake pipeline segment between 2009 and 2012. The Notice further alleged that, as a result of this lack of testing, Respondent failed to adequately monitor the pipeline to determine whether sufficient cathodic protection existed.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.573(a)(1) by failing to conduct tests on cathodically-protected pipelines at least once each calendar year, but with intervals not exceeding 15 months.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for a violation of 49 C.F.R. § 195.573(a)(1). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicates that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 195.573(a)(1) (**Item 1**), Respondent has either read each test station that was not read between 2009 and 2012, or otherwise determined that the level of cathodic protection is adequate at the unmonitored portion of the system. Respondent has also amended its cathodic testing procedures (*MPR-6018*) to ensure that the test stations used to determine adequate

cathodic protection are read annually. Respondent has submitted documentation of these actions.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

WARNING ITEMS

With respect to Items 2 and 3, the Notice alleged probable violations of Part 195 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

1. 49 C.F.R. § 195.402(a) (**Item 2**) — Respondent's alleged failure to follow its own written procedures for valve maintenance. Specifically, the failure of Respondent's employees to follow procedure *MPR-6005* during the valve maintenance survey conducted in October 2012, which required the operator to contact its control center and record such contact information during testing.
2. 49 C.F.R. § 195.402(a) (**Item 3**) — Respondent's alleged failure to follow its own written procedures for contacts with emergency officials. Specifically, the failure of Respondent's employees to follow procedure *MPR-2301*, which required employees to record contacts with emergency officials on form MPA 2830-A.

If OPS finds a violation of these provisions in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.


 Jeffrey D. Wiese
 Associate Administrator
 for Pipeline Safety

DEC 3 2013

 Date Issued