



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 12, 2014

Mr. Lyle Fedje
Director, Pipeline Operations
CPN Pipeline Company
60 River Road
Rio Vista, CA 94571

CPF 5-2014-0002M

Dear Mr. Fedje:

On May 5-9, 2014, June 9-12, 2014, and July 21-25, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected CPN Pipeline Company's Operation and Maintenance (O&M) and Integrity Management Program (IMP) procedures in Rio Vista, CA.

On the basis of the inspection, PHMSA has identified an apparent inadequacy within CPN Pipeline Company's IMP procedures, as described below:

1. **§192.921 How is the baseline assessment to be conducted?**
 - (a) **Assessment methods. An operator must assess the integrity of the line pipe in each covered segment by applying one or more of the following methods depending on the threats to which the covered segment is susceptible. An operator must select the method or methods best suited to address the threats identified to the covered segment (See § 192.917).**
 - (1) **Internal inspection tool or tools capable of detecting corrosion, and any other threats to which the covered segment is susceptible. An operator must follow ASME/ANSI B31.8S (incorporated by reference, see § 192.7), section 6.2 in selecting the appropriate internal inspection tools for the covered segment.**

- (2) Pressure test conducted in accordance with subpart J of this part. An operator must use the test pressures specified in Table 3 of section 5 of ASME/ANSI B31.8S, to justify an extended reassessment interval in accordance with §192.939**
- (3) Direct assessment to address threats of external corrosion, internal corrosion, and stress corrosion cracking. An operator must conduct the direct assessment in accordance with the requirements listed in § 192.923 and with, as applicable, the requirements specified in § § 192.925, 192.927 or 192.929;**
- (4) Other technology that an operator demonstrates can provide an equivalent understanding of the condition of the line pipe. An operator choosing this option must notify the Office of Pipeline Safety (OPS) 180 days before conducting the assessment, in accordance with §192.949. An operator must also notify a State or local pipeline safety authority when either a covered segment is located in a State where OPS has an interstate agent agreement, or an intrastate covered segment is regulated by that State.**

CPN Pipeline Company's IMP procedures lacked specific details of the method(s) used for evaluating in-line inspection tools used to perform its pipeline assessments. The IMP procedures must describe a technical basis for determining the effectiveness of its in-line inspection tool performance on a pipeline segment.

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 sixty days (60) 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 CPN 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 Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2014-0002M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Hoidal". The signature is fluid and cursive, with a large initial "C" and a long, sweeping tail.

Chris Hoidal,
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry
PHP-500 C. Ishikawa (#145425)