

January 13, 2016

Mr. Donald Porter
President
BP Pipelines (North America), Inc.
150 W. Warrenville Road
Naperville, IL 60563

Re: CPF No. 5-2015-5014

Dear Mr. Porter:

Enclosed please find the Final Order issued in the above-referenced case to your affiliate, Olympic Pipe Line Company. It makes findings of violation and specifies actions that need to be taken by Olympic Pipe Line Company to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Western Region, this enforcement action will be 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
Ms. Clorinda Nothstein, Operations Manager, BP Pipelines (North America), Inc.

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)	
)	
)	
Olympic Pipe Line Company,)	CPF No. 5-2015-5014
an affiliate of BP Pipelines (North America), Inc.,)	
)	
Respondent.)	

FINAL ORDER

Between August 11 and 29, 2014, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), and the Washington Utilities and Trade Commission (WUTC), conducted an on-site pipeline safety inspection of the facilities and records of Olympic Pipe Line Company (OPL or Respondent) in the States of Oregon and Washington. OPL is jointly owned by BP Pipelines (North America), Inc. (BPNA) and Enbridge Energy Partners, LP, and is operated by BPNA. The OPL hazardous liquid products pipeline consists of approximately 400 miles of intrastate and interstate pipelines running from Blaine, Washington, to Portland, Oregon. The system transports gasoline, diesel, and jet fuel, with a capacity of 315,000 barrels, and includes 10 breakout tanks.¹

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated July 2, 2015, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that OPL had violated 49 C.F.R. §§ 195.573 and 195.575, and proposed ordering Respondent to take certain measures to correct the alleged violations.

BPNA responded to the Notice on behalf of OPL, by letter dated August 6, 2015 (Response). Respondent did not contest the allegations of violation but provided information concerning the corrective actions it had taken since the August 2014 inspection. Respondent did not request a hearing and therefore has waived its right to one.

¹ BP Pipelines (North America), Inc., website, available at <http://www.olympicpipeline.com/> (last accessed November 27, 2015).

FINDINGS OF VIOLATION

In its Response, OPL did not contest the allegations 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(e), which states:

§ 195.573 What must I do to monitor external corrosion control?

(a) . . .

(e) *Corrective action.* You must correct any identified deficiency in corrosion control as required by §195.401(b). However, if the deficiency involves a pipeline in an integrity management program under §195.452, you must correct the deficiency as required by §195.452(h).

The Notice alleged that Respondent failed to correct identified deficiencies in its corrosion control system that could adversely affect the safe operation of the pipeline, as required by 49 C.F.R. § 195.401(b). That section provides, in relevant part:

§ 195.401 General requirements.

(a) . . .

(b) An operator must make repairs on its pipeline system according to the following requirements:

(1) *Non Integrity management repairs.* Whenever an operator discovers any condition that could adversely affect the safe operation of its pipeline system, it must correct the condition within a reasonable time.

The Notice also alleged that Respondent violated 49 C.F.R. § 195.452(h)(1), cited in § 195.573(e), which states:

§ 195.452 Pipeline integrity management in high consequence areas.

(a) *Which pipelines are covered by this section?* This section applies to each hazardous liquid pipeline and carbon dioxide pipeline that could affect a high consequence area, including any pipeline located in a high consequence area unless the operator effectively demonstrates by risk assessment that the pipeline could not affect the area. . .

(h) *What actions must an operator take to address integrity issues?*

(1) *General requirements.* An operator must take prompt action to address all anomalous conditions the operator discovers through the integrity assessment or information analysis. In addressing all conditions, an operator must evaluate all anomalous conditions and remediate those that could reduce a pipeline's integrity. An operator must be able to demonstrate that the remediation of the condition will ensure the condition is unlikely to pose a threat to the long-term integrity of the pipeline. An operator must comply with §195.422 when making a repair.

The Notice alleged that Respondent failed to correct deficiencies in its corrosion control system

within a reasonable time, in accordance with § 195.401(b)(1). According to the Notice, in 2010 Respondent performed an in-line-inspection (ILI) that revealed discrepancies in the ILI data, revealing unrecorded casings on the pipeline system. Subsequent excavations performed by Respondent revealed additional unrecorded casings, sleeves, and half-sections of pipe at several locations. In 2011, OPL allegedly initiated a “Casing Wire Repairs” project to further evaluate and repair casing deficiencies within a 10-year time frame. The Notice alleged that Respondent’s 10-year time frame to complete the inspections and repairs was not a reasonable period of time in which to correct the identified deficiencies.

In addition, the Notice alleged that OPL violated 49 C.F.R. § 195.452(h)(1) by failing to take prompt action to address all anomalous conditions in high consequence areas (HCAs).² Specifically, the Notice alleged that Respondent’s “Casing Wire Repairs” project did not differentiate between anomalous conditions discovered in HCA areas versus non-HCA areas and that the company’s 10-year time frame for completing the project did not constitute prompt action for remediating deficiencies found in such areas.

Respondent did not contest these allegations of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. §§ 195.573(e), 195.401(b)(1), and 195.452(h)(1), by failing to correct identified deficiencies in corrosion control within a reasonable time and to take prompt action to address all anomalous conditions that could affect HCAs discovered through its integrity assessment or information analysis.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 195.575(c), which states:

§ 195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?

- (a) . . .
- (c) You must inspect and electrically test each electrical isolation to assure the isolation is adequate.

The Notice alleged that Respondent violated 49 C.F.R. § 195.575(c) by failing to test the electrical isolation of each buried pipeline in the OPL system to assure that the isolation was adequate. Specifically, the Notice alleged the Respondent failed to test the electrical isolation of previously unrecorded casings, as described in Item 1 above, to ensure that the isolation from other metallic structures was adequate. The Notice alleged that several casings were not present on alignment sheets or other cathodic protection records, indicating previously unrecorded pipelines had not been tested for adequate isolation.

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. § 195.575(c), by failing to

² An HCA is defined as: (1) a *commercially navigable waterway*, which means a waterway where a substantial likelihood of commercial navigation exists; (2) a *high population area*, which means an urbanized area, as defined and delineated by the Census Bureau, that contains 50,000 or more people and has a population density of at least 1,000 per square mile; (3) an *other populated area*, which means a place, as defined and delineated by the Census Bureau, that contains a concentrated population, such as an incorporated or unincorporated city, town, village, or other designated residential or commercial area; and (4) an *unusually sensitive area*. See 49 C.F.R. § 195.450.

test the electrical isolation of each buried pipeline to assure that the isolation was adequate.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1 and 2 in the Notice for violations of 49 C.F.R. §§ 195.573(e) and 195.575(c), respectively. 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. In its Response, OPL indicated that it had taken certain actions to comply with the Proposed Compliance Order. The Director has reviewed such actions and recommended that this Compliance Order be modified accordingly. Therefore, pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violations of § 195.573(e) (**Item 1**) and § 195.575(c) (**Item 2**), Respondent must:

A. Schedule the “Casings Wire Repair” project to mitigate all remaining indications in HCAs and non-HCAs no later than 18 months from the date of this Order;

B. Determine whether additional casings exist on its pipeline. Update maps and records, as necessary, to ensure all programmatic systems which use this data, including IMP, are accurate; and

C. Submit changes to the “Casing Wire Repair” project within 30 days after the receipt of this Final Order to Mr. Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration.

2. It is requested (not mandated), that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Final Order and submit the total to Mr. Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. It is requested these costs be reported in two categories: 1) total costs associated with preparation/revision of plans, procedures, studies and analyses; and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties

not to exceed \$200,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 C.F.R. § 190.243, Respondent has a right to submit a Petition for Reconsideration of this Final Order. The petition must be sent to: Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. PHMSA will accept petitions received no later than 20 days after receipt of service of this Final Order by the Respondent, provided they contain a brief statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. Unless the Associate Administrator, upon request, grants a stay, 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

Date Issued