

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 8, 2017

Mr. Frank Cassulo
President
Chevron Pipeline Company
1400 Smith Street
Houston, TX 77002

CPF 5-2017-0021W

Dear Mr. Cassulo:

On March 6 through 10, March 20 through 24, and May 1 through 3, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected your Northern California Gas Lines in Houston, Texas, and Pittsburg, California.

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

1. **§192.615 Emergency Plans.**
 - (c) **Each operator shall establish and maintain liaison with appropriate fire, police, and other public officials to:**
 - (1) **Learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency.**

A review of the operator's records for calendar years 2014 through 2016 indicated liaison records only for the operator's liquid assets. No records were available for the natural gas pipelines. The operator was not able to demonstrate through records that they have established and maintained liaisons with public officials, fire, or police, in accordance with §192.615(c)(1).

2. **§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.

While reviewing the operator's atmospheric corrosion records, it was determined that the operator is not following their written procedure for atmospheric corrosion inspections.

The operator's written procedure (MIP 506) requires that the soil-to-air interface be carefully inspected above and below ground eighteen (18) inches. While interviewing the field staff who performed these inspections, the field staff did not appear to be aware of the procedural requirements.

3. **§192.481 Atmospheric corrosion control: Monitoring.**
 - (b) **During inspections the operator must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.**

The operator's documentation for atmospheric corrosion inspections failed to demonstrate they are paying particular attention to the soil-to-air interfaces, in accordance with §192.481(b).

4. **§192.463 External corrosion control: Cathodic protection.**
 - (a) **Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria.**

The operator is utilizing the Appendix D(I)(A)(1) criteria of a negative (cathodic) voltage of at least 0.85 volts (-850 mV) but fails to fully consider voltage (IR) drop, as required under section II of Appendix D for a valid interpretation of the voltage measurement.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists up to a maximum of \$2,090,022 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 items identified in this letter. Failure to do so will result in Chevron Pipeline Company 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 5-2017-0021W**. 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,

Kim West
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 D. Fehling (#155745)