

## NOTICE OF AMENDMENT

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 25, 2018

Mr. Greg Armstrong  
Chairman and CEO  
Plains All American Pipeline, LP  
333 Clay Street, Suite 1600  
Houston, Texas 77002

**CPF 5-2018-0003M**

Dear Mr. Armstrong:

On several occasions between July 31, 2017 and August 3, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, inspected Plains Marketing, L.P.'s, a subsidiary of Plains All American Pipeline, LP, (Plains) 6-inch gas distribution pipeline system that serves Martinez Terminal in Concord, California.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Plains' plans or procedures, as described below:

1. **§192.605 Procedural manual for operations, maintenance, and emergencies.**
  - (b) **Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**
    - (2) **Controlling corrosion in accordance with the operations and maintenance requirements of subpart I of this part.**

Plains' procedure entitled "Internal Corrosion"<sup>1</sup> is inadequate because it does not have a process for investigating the internal corrosive effect of the gas on the pipeline pursuant to 49 C.F.R., Subpart I, § 192.475(a). Section 1.2 of this procedure states that "[b]ecause the Martinez pipeline only transports non-corrosive fuel gas, internal corrosion monitoring of this pipeline is not performed." As a result, at the time of the inspection, Plains could not produce records or other substantiating evidence to demonstrate that it had investigated the corrosive effect of the gas on its pipeline. Instead, Plains stated that it relies on the written statement from Pacific Gas and Electric Company (PG&E) that the gas supplied by PG&E is non-corrosive, and PG&E's "Gas Rule No. 21" that limits corrosive compounds in its gas.<sup>2</sup>

After the inspection, at the request of PHMSA, Plains provided PHMSA with documentation of the gas analysis conducted by PG&E. These records, however, are not collected or reviewed by Plains. As a result, Plains does not have its own process for investigating the internal corrosive effect of gas on its pipeline. Plains must revise its procedures to include an adequate process for how it will: (1) collect the gas analysis records from PG&E and how often; (2) who will review the results; (3) the qualification of person(s) who will be reviewing the gas analysis records received from PG&E; (4) criteria for pass and fail; and (5) what steps will be taken if the gas analysis is found not meeting the specified criteria.

#### Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If 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. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 days 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.

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<sup>1</sup> Exhibit D to Violation Report.

<sup>2</sup> Exhibit C to Violation Report.

It is requested (not mandated) that Plains maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Kim West Acting Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2018-0003M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosures: Response Options for Pipeline Operators in Compliance Proceedings

cc: PHP-60 Compliance Registry  
PHP-500 M. Garcia (#156584)