U.S. Department
of Transportation
Pipeline and
Hazardous Materials
Safety Administration

409 3rd St. S.W. Suite 300
Washington, D.C. 20024

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 16, 2008

Ms. Marjorie Dawson
President
Portland Pipeline Terminal
30 Hill Street
S. Portland, ME 04106

CPF 1-2008-5005W

Dear Ms. Dawson:

During the week of November 5, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your crude oil pipeline between Portland, Maine and Jay, Vermont.

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

1. **§195.573 What must I do to monitor external corrosion control?**

(c) Rectifiers and other devices. You must electrically check for proper performance each device in the first column at the frequency stated in the second column.

Device	Check frequency
Rectifier **Reverse current switch** **Diode** **Interference bond whose failure would jeopardize structural protection**	**At least six times each calendar year, but with intervals not exceeding 2 ½ months**
Other interference bond	**At least once each calendar year, but With intervals not exceeding 15 months.**

Portland Pipeline Corporation (PMPL) has eighteen locations where one or both of its pipelines are bonded to ExxonMobil Pipeline or Portland Natural Gas Transmission Company. PMPL has records demonstrating that the electrical check on its interference bonds may not have been adequate in satisfying the regulations. PMPL provided the inspector with the records of the eighteen locations. In a review of the procedures addressing the interference bonds, the following was stated in Section 6.5.2.4 of the PMPL written plan:

> **Some of the most important tests include the following: . . .**
>
> **f) Resistance Bonds – These are electrical ties between our own lines and foreign pipelines that cross us. Data is gathered that reflects the electric current flow in amperes to or from these foreign lines.**

There is no further guidance in the procedures explaining how PMPL obtains the field readings of these bonds nor how the readings are interpreted to determine whether a failure of the bond would jeopardize the PMPL pipeline. Those bonds whose failure could jeopardize a PMPL pipeline are required to be surveyed six times annually. In the records for the 18 locations (many of which contained multiple bonds) the operator provided, at best, annual readings. These readings were potential readings (pipe to soil) in millivolts on the 18-inch and 24-inch pipelines and the foreign structure to which they were bonded. There was no direction in the procedures to record electric current flow in amperes to or from foreign lines, nor was there any guidance on the use of the pipe to soil readings that were performed and recorded on an annual basis. In addition, there was no assessment presented at the inspection whereby the operator distinguished which of the interference bonds would jeopardize the PMPL pipeline in the event of a bond failure. A summary of the record review is below for each bond area.

Station	PMPL Line	Foreign Line	Remarks
55+00	18"	6" ExxonMobil	Pipe to soil reads (p/s) not taken in 2007 on the ExMobil pipeline.
304+99	18" 24"	12" Gas	P/s reads complete for 5 years on the 3 structures.
350+30	24"	6" ExMob	P/s reads complete for 5 years on the 2 structures measuring current through a shunt.
497+79	18" 24"	24" PNGTS	P/s reads for 5 years on the 3 structures. Current recorded during 2005 and 2006.
624+40	18" 24"	24" PNGTS	P/s reads for 5 years on the 3 structures.
1198+72	18" 24"	24" PNGTS	P/s reads for 5 years on the 3 structures.
2515+20	18" 24"	24" PNGTS	P/s reads for 2002-2006 on the PMPL structures. None for 2007. Not bonded to the PNGTS line.
2639+59	18" 24"	24" PNGTS	P/s reads for 2002-2006 on the PMPL structures. None for 2007. Not bonded to the PNGTS line.
2878+76	18" 24"	24" PNGTS	P/s reads for 2002-2006 on the PMPL structures. Not bonded to the PNGTS line.
2991+37	18" 24"	24" PNGTS	P/s reads for 2002-2006 on the PMPL structures. Not bonded to the PNGTS line.
3264+46	18" 24"	24" PNGTS	P/s reads for 2002-2006 on the PMPL structures. Not bonded to the PNGTS line.
3563+19	18" 24"	24" PNGTS	P/s reads for 2002-2006 on the PMPL structures. Not bonded to the PNGTS line.
3571+63	18" 24"	24" PNGTS	P/s reads for 2002-2006 on the PMPL structures. Not bonded to the PNGTS line.
3791+40	18" 24"	24" PNGTS	P/s reads for 2002-2006 on the PMPL structures. Not bonded to the PNGTS line.
3874+52	18" 24"	24" PNGTS	P/s reads for 2002-2006 on the PMPL structures. Not bonded to the PNGTS line.
4066+00	18" 24"	24" PNGTS	P/s reads for 2002-2006 on the PMPL structures. Not bonded to the PNGTS line.
4257+39	18" 24"	24" PNGTS	P/s reads for 5 years on the 3 structures. No current recorded.

The probable violation is based upon a review of the operator's procedures and a review of the test records and drawings of the PMPL's interference bonds with foreign structures.

2. **§195.589 What corrosion control information do I have to maintain?**

c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to Secs. 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.

Operator's written procedures state in section 6 of its written procedures:

J. Painting (Inspection)
All painted facilities are visually inspected [annually] for paint and coating failures. Paint or coating is applied to areas requiring attention during the following warm weather season. If any abnormalities are discovered, an immediate report is made to the Maintenance Supervisor South Portland or to the Senior Chief Montreal.

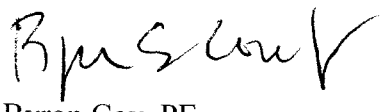
The operator had no record to demonstrate that PMPL monitored its pipeline facilities exposed to the atmosphere for atmospheric corrosion. During the inspection, PMPL stated that it performed annual review of its facilities, and if paint or coating is needed, it is applied during the coming year. There were no records on file to document the observations of the atmospheric corrosion evaluator.

The probable violation is based upon the operator's procedures and his lack of records to demonstrate compliance with the monitoring of atmospheric corrosion.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed $100,000 for each violation for each day the violation persists up to a maximum of $1,000,000 for any 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 Portland Pipeline Corporation 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 1-2008-5005W.** 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,



Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration