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

233 Peachtree Street Ste. 600
Atlanta, GA 30303

# NOTICE OF PROBABLE VIOLATION
# and
# PROPOSED COMPLIANCE ORDER

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

February 19, 2008

Mr. Jim Collingsworth
President
Dixie Pipeline Company
1100 Louisiana Street
Houston, Texas 77002-5227

**CPF** 2-2008-5003

Dear Mr. Collingsworth:

Subsequent to Dixie Pipeline Company's November 1, 2007 accident, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your records in Roswell, Georgia.

As a result of the records review, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation is:

**§195.402 Procedural manual for operations, maintenance, and emergencies.**
**(a)** ***General.*** **Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**

**§195.406 Maximum operating pressure.**
**(a) Except for surge pressures and other variations from normal operations, no operator may operate a pipeline at a pressure that exceeds any of the following:**
**(2) The design pressure of any other component of the pipeline.**
**(3) Eighty percent of the test pressure for any part of the pipeline which has been pressure tested under Subpart E of this part.**

Dixie pipeline Company did not follow its' procedural manual in establishing Maximum Operating Pressures (MOPs.) The procedural requirement not to exceed the design pressure of any component has not been met.

Dixie Pipeline Company's Engineering Calculated MOPs published in the *Operations & Emergency Manual,* and Dixie's Qualified Section MOPs maintained on hydrotest summary data reports exceed the 1,440 psi ANSI 600 # valve design pressure as indicated on the chart below. The Maximum Discharge Control Setpoint established by Dixie for the pipeline pump stations does not exceed the ANSI 600 # valve design pressure or MOP at any station. Dixie defines the Maximum Discharge Control Setpoint in the *Maximum Operating Pressure Procedure* as "the maximum pressure of a pump station, pressure control point or injection point, under normal operating conditions that does not exceed the established MOP."

| Pump Station or Pipeline Segment | Listed Engineering Calculated MOP | Listed Qualified Section MOP | Component Design Pressure |
|---|---|---|---|
| Oloh Station | 1465 psi | | 1440 psi |
| Hattiesburg Station | 1454 psi | | 1440 psi |
| Carmichael Station | 1448 psi | | 1440 psi |
| 8" and 6" Pipeline Segments - Milner to Apex | 1480 psi | Between 1445 psi and 1509 psi | 1440 psi |

Proposed Compliance Order

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Dixie Pipeline Company. Please refer to the *Proposed Compliance Order* that is enclosed and made a part of this Notice.

Response to this Notice

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.

In your correspondence on this matter, please refer to **CPF** 2-2008-5003 and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

M. Shoaib

Mohammed Shoaib
Acting Director, Southern Region
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
*Response Options for Pipeline Operators in Compliance Proceedings*

## PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Dixie Pipeline Company a Compliance Order incorporating the following remedial requirements to ensure the compliance of Dixie Pipeline Company with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to the establishment of Maximum Operating Pressures, Dixie Pipeline Company will review their Maximum Operating Pressures with regards to all of the requirements of 195.406, and establish and document Maximum Operating Pressures as appropriate.

2. The actions in Item 1 will be completed within 20 days after receipt of a Final Order.

3. Dixie Pipeline Company shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mohammed Shoaib, Acting Director, Southern Region, Pipeline and Hazardous Materials Safety Administration. Costs shall be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.