

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 2, 2009

Keith Hardy
Vice President
Power General Operations
Florida Power & Light Company
700 Universe Blvd.
Juno Beach, FL 33408

CPF 2-2009-6001W

Dear Mr. Hardy:

On May 18-22, 2009, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Florida Power & Light Company (FPL) pipeline facilities in West Palm Beach and Port Manatee, Florida.

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, Part 195. The items inspected and the probable violations are as follows:

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

(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).

§195.401 General requirements.

(b) Whenever an operator discovers any condition that could adversely affect the safe operation of its pipeline system, it shall correct it within a reasonable time. However, if the condition is of such a nature that it presents an immediate hazard to persons or property, the operator may not operate the affected part of the system until it has corrected the unsafe condition.

FPL failed to take corrective actions within a reasonable time after identifying that the external corrosion control cathodic protection system on the 18-inch dual use pipeline did not meet the minimum criteria at Test Station 26. The deficiency was discovered by FPL during its annual cathodic protection survey on March 6, 2008, and re-confirmed during its next annual survey on March 11, 2009. FPL had not undertaken any corrective actions as of the time of the inspection at the West Palm Beach Terminal on May 19, 2009.

To meet the external corrosion control cathodic protection requirements in the Federal Pipeline Safety Regulations, FPL's written corrosion control procedures specify the use of the criteria in NACE Standard RP0169-2002, Section 6.2.2.1.2, "*A negative polarized potential of at least 850 mV relative to a saturated copper/copper sulfate reference electrode.*" The "*polarized potential*" is commonly referred to as an "instant off potential" and is measured directly after the interruption of all current sources.

During its annual cathodic protection surveys, FPL installs current interrupters on the two rectifiers and a bond at the West Palm Beach Terminal and then takes pipe-to-soil (p/s) readings while the interrupters cycle the current on and off. FPL uses the "instant off reading" to meet the criteria; that is, a p/s reading of at least - 850 mV at the moment the current is cycled off.

During the records review portion of the inspection at the West Palm Beach Terminal the following annual cathodic protection p/s readings were found:

Pipeline	Test Station	Year	P/S "on"	P/S "instant off"
18-inch	Test Station 26	2007	-1500 mV	- 1140 mV
18-inch	Test Station 26	2008	- 420 mV	- 180 mV
18-inch	Test Station 26	2009	- 800 mV	- 350 mV

During the field inspection along the 18-inch pipeline the following cathodic protection p/s readings were found:

Pipeline	Test Station	P/S "on"	P/S "instant off"
18-inch	Test Station 26	- 600 mV	- 100 mV
18-inch	Test Station 26 + 50 ft.		- 610 mV
18-inch	Test Station 26 + 100 ft.		- 780 mV
18-inch	Test Station 26 - 50 ft.		- 600 mV
18-inch	Test Station 26 - 100 ft.		- 790 mV

With the exception of the 2007 instant off p/s reading of – 1140 mV (taken on March 6, 2007), all other p/s readings are below the FPL stated criteria of at least – 850 mV.

2. §195.577 What must I do to alleviate interference currents?

(a) For pipelines exposed to stray currents, you must have a program to identify, test for, and minimize the detrimental effects of such currents.

FPL believed that the external corrosion control cathodic protection system deficiency on the 18-inch dual use pipeline at Test Station 26 was caused by interference currents from an Indiantown Gas Company (Indiantown) pipeline that crosses the FPL pipeline at Test Station 26; but, FPL did not institute a program to minimize the detrimental effects of this stray current.

During the inspection, FPL corrosion engineers stated that they believed the corrosion control deficiency at Test Station 26 was due to changes to the cathodic protection system of the Indiantown pipeline. However, they also stated that they had not contacted Indiantown and had made no attempt to resolve this interference current issue. Also, FPL did not produce any records to demonstrate that they had made efforts to resolve the issue or to contact Indiantown.

3. §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.

FPL has prepared external corrosion control written procedures but failed to follow its written procedures after identifying an external corrosion control deficiency on its 18-inch dual use pipeline at Test Station 26.

The deficiency was discovered by FPL during its annual cathodic protection survey on March 6, 2008, and re-confirmed during its next annual survey on March 11, 2009. FPL had not undertaken any corrective actions as of the time of the records inspection at the West Palm Beach Terminal on May 19, 2009.

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 item(s) identified in this letter. Failure to do so will result in FPL 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 2-2009-6001W**. 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,

Linda Daugherty
Director, Southern Region
Pipeline and Hazardous Materials Safety Administration