



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 3, 2013

Mr. Todd Denton
President
Phillips 66 Pipeline LLC
3010 Briarpark Drive
PWC-7109
Houston, TX 77042

CPF 5-2013-5012W

Dear Mr. Denton:

From March 2012 through November 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected the following Phillips 66 Pipeline systems in Montana:

- Yellowstone Pipeline from Billings to Springdale (YP-01)
- Suction lines associated with the Yellowstone Pipeline in Billings (YP-11, 12, 13)
- Alkali Creek Diesel Pipeline from Billings to Laurel (YP-14)
- Seminoe Pipeline from Billings to MP10 (SM-01)
- Suction lines associated with the Seminoe Pipeline in Billings (SM-11, 12)
- Glacier Pipeline from the Canadian Border to Billings (GL01, 03, 05, 07, 08, 09)
- Transfer lines associated with the Glacier Pipeline in Billings (GL-11)

As a result of the inspections, it appears that Phillips 66 Pipeline LLC committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. § 195.404 Maps and records.

(a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information:

(1) Location and identification of the following pipeline facilities:

- (i) Breakout tanks;**
- (ii) Pump stations;**
- (iii) Scraper and sphere facilities;**
- (iv) Pipeline valves;**
- (v) Facilities to which §195.402(c) (9) applies;**
- (vi) Rights-of-way; and**
- (vii) Safety devices to which §195.428 applies.**

(2) All crossings of public roads, railroads, rivers, buried utilities, and foreign pipelines.

(3) The maximum operating pressure of each pipeline.

(4) The diameter, grade, type, and nominal wall thickness of all pipe.

During the review of the maps and drawings of the pipeline systems listed previously, it was determined that many of the pump station drawings do not accurately reflect the field installations and have not been updated in many years. During the inspection, Phillips 66 indicated that a process had been initiated to update all of the station drawings within approximately two years, however as of November 2012, none of the station drawings had been updated. Phillips 66 Pipeline must ensure that each of the pump station drawings are updated in a timely manner to accurately reflect current field installations and that a process is developed and followed to ensure that the appropriate drawings are updated in a timely manner anytime that changes to the field installations are made.

In addition, during a review of drawings at the Great Falls Field Office, it was determined that many out of date alignment drawings were maintained in the office but field personnel were not aware that they were out of date and did not seem to know how to obtain current drawings from Phillips 66's TranMap system. Phillips 66 Pipeline must remove all out of date drawings from the Great Falls Field Office and instruct personnel in the Great Falls Field Office how to obtain accurate alignment drawings from the Phillips 66 TranMap system.

2. **§ 195.110 External Loads**

(a) Anticipated external loads (e.g.), earthquakes, vibration, thermal expansion, and contraction must be provided for in designing a pipeline system. In providing for expansion and flexibility, section 419 of ASME/ANSI B31.4 must be followed.

The Glacier Pipeline traverses areas in far northern Montana that are susceptible to landslides during and after periods of heavy rain or rapid snowmelt, however as of November 2012, Phillips 66 did not have a landslide monitoring program in place for this section of the pipeline. Phillips 66 needs to consider a landslide monitoring program for areas in northern Montana through which the Glacier Pipeline traverses that are susceptible to land movement and take appropriate actions to ensure that the pipeline is not damaged due to land movement.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 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 Phillips 66 Pipeline LLC 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 5-2013-5012W**. 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,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
 PHP-500 M. Petronis (#138125, #138127, #138128, #138129)