



Marathon Pipe Line LLC

539 South Main Street
Findlay, OH 45840
Tel: 419.422.2121

November 16, 2023

Mr. Dustin Hubbard
Director, Western Region
PHMSA, Office of Pipeline Safety
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

RE: Operator Response
Warning Letter CPF 5-2023-056-WL

Dear Mr. Hubbard:

On October 26, 2023, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a Warning Letter (Warning) to Marathon Pipe Line LLC (Marathon) resulting from an inspection of Marathon's crude oil and refined products pipelines in Nikiski and Anchorage, Alaska. The Warning alleged a potential violation of the Pipeline Safety Regulations.

Although not required,¹ Marathon is submitting this response to the Warning in order to clarify facts associated with this allegation and provide additional information to demonstrate that Marathon has not violated the Pipeline Safety Regulations. Marathon understands that PHMSA is not required to take action in response to this letter; however, Marathon respectfully requests that this letter become part of the public record associated with this Warning and posted on PHMSA's website.

Marathon responds as follows to PHMSA's allegation, which is restated in its entirety below:

PHMSA Allegation

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

1. § 195.452 Pipeline integrity management in high consequence areas.

(a) . . .

(g) What is an information analysis? In periodically evaluating the integrity of each pipeline segment (see paragraph (j) of this section), an operator must analyze all available information about the integrity of its entire pipeline and the consequences of

¹ 49 CFR §195.205 Warnings.

a possible failure along the pipeline. Operators must continue to comply with the data integration elements specified in § 195.452(g) that were in effect on October 1, 2018, until October 1, 2022. Operators must begin to integrate all the data elements specified in this section starting October 1, 2020, with all attributes integrated by October 1, 2022. This analysis must:

(1) Integrate information and attributes about the pipeline that include, but are not limited to:

(i) . . .

(viii) Data gathered through integrity assessments required under this section;

Marathon failed to integrate and analyze data gathered through their 2021 integrity assessments for their Kenai Refinery to Anchorage refined products pipeline, as required. Specifically, in 2021, Marathon conducted an integrity assessment using a suite of in-line inspection (ILI) tools (including a UT crack tool, a circumferential UT crack tool, a geometry (caliper) tool, a corrosion assessment tool (MFL), and an inertial mapping tool). These integrity assessments were completed between February and April 2021. During PHMSA's 2023 inspection, Marathon stated that it integrates and analyzes ILI assessment data through the process of preparing a Data Integration Report. However, Marathon could not produce any records demonstrating it had completed the Data Integration Report nor any other record of ILI data integration for their 2021 assessments as of the May 2023 inspection. Therefore, Marathon failed to comply with § 195.452(g)(1)(viii) by not integrating and analyzing its ILI data as required.

2. § 195.591 In-Line inspection of pipelines.

When conducting in-line inspection of pipelines required by this part, each operator must comply with the requirements and recommendations of API Std 1163, Inline Inspection Systems Qualification Standard; ANSI/ASNT ILI-PQ, Inline Inspection Personnel Qualification and Certification; and NACE SP0102-2010, Inline Inspection of Pipelines (incorporated by reference, see § 195.3). An in-line inspection may also be conducted using tethered or remote control tools provided they generally comply with those sections of NACE SP0102-2010 that are applicable;

Marathon failed to comply with API Std 1163 as required. Specifically, during inspection, Marathon had not validated the results of their 2021 in-line inspections (ILI) of their Kenai Refinery to Anchorage refined products pipeline. ILI data validation is a process required by API Std 1163. Between February and April 2021, Marathon conducted an integrity assessment using a suite of ILI tools (including a UT crack tool, a circumferential UT crack tool, a geometry (caliper) tool, a corrosion assessment tool (MFL), and an inertial mapping tool). During the 2023 inspection, Marathon stated that its ILI validation process is completed and documented through the process of preparing a Data Integration Report. However, Marathon could not provide the completed Data Integration Report nor any other record of ILI validation for its 2021 assessments as of the May 2023 inspection. Therefore, Marathon failed to comply with § 195.591 by not validating the results of its 2021 ILI assessments as required per API Std 1163.

MPL's Response

Marathon respectfully asserts that it integrated and analyzed data from its 2021 integrity assessments for their Kenai Refinery to Anchorage refined products pipeline and complied with the requirements of API Std 1163. Marathon notes that as of the May 2023 inspection, its Data Integration Report (DIR) for the Kenai Refinery to Anchorage 10" refined products pipeline was in progress and had not yet been finalized. The completed DIR, which included validation of the 2021 ILI tools, was submitted to PHMSA on September 14, 2023, which was two business days after Marathon received the 90-day Postinspection Written Preliminary Findings Report identifying the DIR as a concern and 30 business days prior to receiving the Warning Letter CPF-5-2023-056-WL. Therefore, the facts do not support PHMSA's allegation that Marathon did not complete an information analysis as required by §195.452(g) or validation of results as required by §195.591.

Additionally, sections 195.452(g) and 195.591 do not specify a completion deadline to integrate, analyze, and validate integrity assessment data. Section 195.452(g), uses the word "periodically" in the context of evaluating integrity; however, the regulations do not define "periodically". Nor does API Std 1163, which is incorporated in Section 195.452(g), specify a prescribed time for the validation of integrity assessment data.

Furthermore, PHMSA has issued no guidance, interpretation, or subsequent rulemaking, which has suggested a prescriptive timeline in which the information analysis or validation of results must be completed. The Warning does not suggest what the expected timeframe for completion of the information analysis or validation of results should be. It only alleges that this unspecified timeframe was not met. The Final Rule contemplated that "[t]his information analysis will be done in conjunction with the periodic evaluation and continual integrity assessment of each pipeline segment."² Therefore, it is reasonable to conclude that the information analysis be completed prior to subsequent integrity assessments, which Marathon has exceeded.

In conclusion, Marathon believes it complied with the requirements to integrate, analyze, and validate the data from the Kenai Refinery to Anchorage 10" in-line inspection assessment. In accordance with PHMSA's Pipeline Safety Enforcement Procedures, Section 4.1.5.1, Marathon respectfully requests retraction of the Warning and that this letter become part of the public record associated with this Warning as posted on PHMSA's website.

If you have any questions or would like to discuss further, please do not hesitate to contact me at 419.421.4505 or migray@marathonpetroleum.com.

² See Final Rule "Pipeline Safety: Pipeline Integrity Management in High Consequence Areas (Hazardous Liquid Operators With 500 or More Miles of Pipeline)", 65 Fed. Reg. 75378, pg. 75389

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Sincerely,

Michael Gray

Michael J. Gray
Regulatory Compliance Manager
Marathon Pipe Line LLC

Cc: Rich St Amour, President
Greg Smith, Chief Counsel