

NOTICE OF AMENDMENT

October 31, 1996

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

CPF No. 56510-M

Mr. M. L. Ottem
Manager of Operations
Trans Mountain Oil Pipeline Corporation
1333 West Broadway
Suite 900
Vancouver, B.C. V6H4C2

Dear Mr. Ottem:

On November 15-17, 1996, a representative of the Western Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of the Trans Mountain Oil Pipeline Corporation(TM) facilities, manuals, and records near Bellingham, WA.

As a result of the inspection, it appears that you have committed probable violations, as noted below, of pipeline safety regulations, Title 49, Code of Federal Regulations, Part 195. The items inspected and probable violations are:

1. §195.402 Procedural manual for operations, maintenance, and emergencies; (a) Requires each operator to 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;

§195.402(c) Maintenance and Normal Operations; The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

§195.402(c)(3) further requires that the procedures must provide for operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of Subpart F of Part 195.

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At the time of the inspection, the following procedures were determined to be inadequate:

(A) §195.402(f) Safety-related condition reports. The manual required by paragraph (a) of this section must include instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of §195.55.

At the time of the inspection, TM's procedures for reporting Safety Related Conditions were inadequate in that they did not fully address the requirements of 195.55 and 195.56.

(B) §195.401(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.

At the time of the inspection, TM did not have detailed procedures to determine a course of action to be taken once a shorted casing has been discovered.

(C) §195.412 Inspection of right-of-way and crossing of navigable waters.
(b) Except for offshore pipelines, each operator shall, at intervals not exceeding five years, inspect each crossing under a navigable waterway to determine the condition of the crossing.

At the time of the inspection, TM's procedures did not state that pipelines crossing navigable waterways would be inspected at intervals not to exceed five years.

(D) §195.416 External corrosion control.
(i) Each operator shall clean, coat with material suitable for the prevention of atmospheric corrosion, and maintain this protection for, each component in its pipeline system exposed that is exposed to the atmosphere.

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At the time of the inspection, TM did not have adequate procedures for the prevention of atmospheric corrosion.

(E) §195.420 Valve maintenance.

(b) Each operator shall, at intervals not exceeding 7½ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

At the time of the inspection, TM's procedures did not state that mainline valves must be inspected twice each calendar year not to exceed 7½ months.

(F) §195.422 Pipeline repair.

(b) No operator may use any pipe, valve, or fitting, for replacement in repairing pipeline facilities, unless it is designed and constructed as required by this part.

further

§195.222 Welders: Qualification of welders.

Each welder must be qualified in accordance with Section 3 of API Standard 1104 or Section IX of the ASME Boiler and Pressure Vessel Code, except that a welder qualified under an earlier edition than listed in §195.3 may weld but may not requalify under that earlier edition.

further

§195.228 Welds and welding inspection: Standards of acceptability.

(b) The acceptability of a weld is determined according to the standards in section 6 of API Standard 1104. However, if a girth weld is unacceptable under those standards for a reason other than crack, and if the Appendix to API Standard 1104 applies to the weld, the acceptability of the weld may be determined under that appendix.

At the time of the inspection, TM's procedures referenced Canadian Standards Association(CSA) documents for qualifying of welders, qualifying of welding procedures, and acceptability of welds. CSA is not incorporated by reference in §195.3.

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When it is found that an operator's procedures are inadequate, 49 CFR §190.237 provides that an operator, after notice and opportunity for a hearing, may be required to amend its plans and procedures. This letter serves to provide you with notice of the inadequate procedures, Item #1 above, and the response options as prescribed under §190.237, Title 49 CFR. The operator is allowed thirty (30) days after receipt of such notice to submit written comments or request an informal hearing. After considering the material presented, the Office of Pipeline Safety is required to notify the operator of the required amendment or withdraw the notice proposing the amendment. If you do not desire to contest the notice, please provide the revised procedures noted above within thirty (30) days of receipt of this notice. When appropriate procedures have been prepared, submit to the Director, Western Region, Office of Pipeline Safety, Research and Special Programs Administration, 12600 Colfax Avenue, Suite A-250, Lakewood, Colorado 80215.

Sincerely,

Edward J. Ondak
Director

Enclosure