



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

1200 New Jersey Ave, S.E.
Washington, D.C. 20590

NOV 06 2014

Mr. Reginald Anderson
Bartow Combined Cycle Station Manager
Duke Energy Florida
1601 Weedon Island Drive NE
St. Petersburg, FL 33702

Dear Mr. Anderson:

In a letter to the Pipeline and Hazardous Materials Safety Administration (PHMSA) dated February 5, 2013, you described the plans for Duke Energy Florida, Inc. (Duke Energy) to discontinue operating the Bartow Anclote Pipeline (BAP) - OPID 5320 and requested an interpretation on whether these plans would satisfy applicable Federal pipeline safety regulations and asked five specific questions.

You stated that as a result of ongoing fuel conversions, Duke Energy no longer has a need to operate the BAP. In July 2011, the #6 Fuel Oil was purged from the BAP by pushing two foam pigs with nitrogen. Duke Energy has removed the BAP from #6 Fuel Oil service by physically separating the BAP from the sources of oil and it is currently in an idle status (drawing of separation from other pipelines provided). In addition, the BAP does not cross over, under or through a commercially navigable waterway.

You stated that Duke Energy plans to continue activities to preserve the BAP while options for long term disposition and possible sale of the BAP are evaluated and therefore, Duke Energy will continue to maintain the BAP in accordance with 49 CFR Part 195 requirements. You then provided a list of Part 195 activities that you believe would no longer be applicable.

In general, PHMSA does not recognize an "idle" status of a hazardous liquid pipeline. Either it has an in service status and is subject to Part 195 (even if operation is suspended for a period of time), or it can be permanently abandoned in accordance with an operator's written abandonment procedures established pursuant to § 195.402(c)(10) and reported pursuant to § 195.59. With regard to a pipeline that has not been permanently abandoned and may resume operation but is in an extended period of disuse, we recognize that some operators may view performing certain types of regulatory activities as an unwise use of resources. I would recommend that you contact the Director, Office of Pipeline Safety, Southern Region, if you desire the agency's views on whether your list of Part 195 activities that you believe would no longer be applicable is appropriate.

The Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety provides written clarifications of the Regulations (49 CFR Parts 190-199) in the form of interpretation letters. These letters reflect the agency's current application of the regulations to the specific facts presented by the person requesting the clarification. Interpretations do not create legally-enforceable rights or obligations and are provided to help the public understand how to comply with the regulations.

With regard to the five specific questions in your letter:

Question 1: If the 49 CFR Part 195 compliance is continued without interruption, could the BAP be returned to hazardous liquid service by a new owner without a 49 CFR § 195.5 conversion to service if the other requirements of 49 CFR Part 195 are satisfied (and all other Federal, State and local requirements are also satisfied)?

Response: Yes, provided that Duke Energy complies with all the applicable sections of Part 195. Once a pipeline has been qualified for operation under Part 195, it remains qualified for operation.

Question 2: If the 49 CFR Part 195 compliance is continued without interruption, could the BAP be qualified for natural gas service by a new owner following a 49 CFR § 192.14 conversion to service if the other requirements of 49 CFR Part 192 are satisfied (and all other Federal, State and local requirements are also satisfied)? Does 49 CFR § 192.14 recognize 49 CFR Part 195 in this situation?

Response: Yes, the BAP can be qualified for natural gas service by a new owner following a § 192.14 conversion to service if the other requirements of Part 192 are satisfied. As to your follow up question, yes, § 192.14(a) states that a steel pipeline previously used in service not subject to Part 192 qualifies for use under Part 192 if the operator prepares and follows a written procedure to carry out the § 192.14(a) requirements.

Question 3: If the BAP is abandoned now, could it later be returned to hazardous liquid service per 49 CFR Part 195 or natural gas service per 49 CFR Part 192 by a new owner? If so, what would be required at that time?

Response: As used in the regulations, PHMSA considers the term abandonment to mean permanent abandonment. If disuse is not permanent and if the BAP meets the § 195.5 conversion to service requirements for Part 195 or the § 192.14 conversion to service requirements for Part 192, the BAP potentially could be returned to service. Any operator returning a pipeline to service that has been in an extended period of disuse is obligated to verify the integrity of the pipeline prior to resuming the transportation of hazardous liquids. If it will be used in gas service, the conversion of service requirements must also be conducted prior to bringing the pipeline back into service.

Question 4: Depending on the ultimate disposition of the BAP, additional cleaning could be required and could involve using heated nitrogen, pushing cleaning pigs with nitrogen, pushing water and detergent volumes between pigs with nitrogen, rinsing with water between pigs, drying with foam pigs and heated nitrogen (or some other combination of these steps). Updating existing BAP 49 CFR Part 195 programs to cover this cleaning process makes the best use of established infrastructure, training and experience while still protecting high consequence areas.

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Would 49 CFR Part 195 cover this cleaning process (if all other Federal, State and local requirements are also satisfied) or are there other pipeline regulations that are intended for this cleaning process?

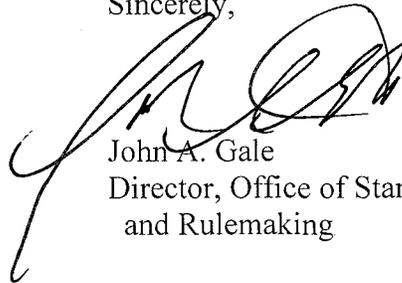
Response: The regulations in Part 195 do not specify how or when a pipeline needs to be cleaned. This maintenance activity would be required to be addressed in Duke Energy's pipeline operation and maintenance procedures (Part 195, Subpart F - Operation and Maintenance).

Question 5: Does the above plan satisfy applicable 49 CFR Part 195 Federal pipeline safety regulations for abandonment or sale of the Bartow Anclote Pipeline (if all other Federal, State and local requirements are also satisfied)?

Response: As noted above, PHMSA considers the term abandonment to mean permanent abandonment. If Duke Energy decides to abandon the BAP, it must do so in accordance with its § 195.402(c)(10) procedures and § 195.59. If Duke Energy plans to maintain the pipeline in accordance with Part 195, it can be potentially returned to service. The question of whether the list of activities Duke Energy considers applicable would satisfy Part 195 is a compliance matter that is beyond the scope of this regulatory interpretation.

If we can be of further assistance, please contact Tewabe Asebe of my staff at 202-366-5523.

Sincerely,



John A. Gale
Director, Office of Standards
and Rulemaking

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February 5, 2014

FEB 10 2014

Office of Pipeline Safety (PHP-30)
PHMSA
US Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590-0001

Dear Sir:

The purpose of this letter is to describe the plans for Duke Energy Florida, Inc. (Duke Energy) to sell or abandon the Bartow Anclote Pipeline (OPID 5320) and to request written interpretation of several items to assure that the sale or abandonment process will satisfy applicable Federal pipeline safety regulations.

As a result of ongoing fuel conversions, Duke Energy no longer has a need to operate the Bartow Anclote Pipeline (BAP). In July, 2011, the #6 Fuel Oil was purged from the BAP by pushing two foam pigs with nitrogen. The BAP was then depressurized and isolated to contain the ambient pressure nitrogen. On August 31, 2013, the decision was made that the BAP would no longer be used by Duke Energy to transport #6 Fuel Oil.

Duke Energy has recently removed the BAP from #6 Fuel Oil service by physically separating the BAP from the sources of oil. This separation and the new 49CFR195 jurisdictional boundaries are shown on the attached drawing markups. The BAP is currently in an idle status.

Duke Energy plans to continue activities to preserve the BAP while options for long term disposition of the BAP are evaluated. These options will include sale of the BAP to a third party for liquid or gas transportation, for use as a conduit for power or communications, or for removal of BAP components for reuse at another location as piping or structural tubing. Another option could include cleaning, abandonment, and structural stabilization using grout or flowable fill, or some combination of these various options. At the time of sale or abandonment, Duke Energy will notify the PHMSA Information Resources Manager that the BAP has been sold or abandoned in accordance with 49CFR195.59(a), the National Registry will be updated in accordance with 49CFR195.64, and NPMS data will be updated in accordance with the NPMS Operator Standards Manual. The BAP does not cross over, under or through a commercially navigable waterway.

Until sale or abandonment, Duke Energy plans to preserve the value of the BAP for possible sale. Therefore, Duke Energy will continue to maintain the BAP in accordance with 49CFR195 programs. The programs, however, would be modified to remove activities that are no longer applicable. Listed below are the key activities that will be changed:

1. Since the BAP will no longer be used by Duke Energy to transport #6 Fuel Oil, it has been disconnected from the source of oil (Bartow Storage Tanks) and disconnected from the Bartow pumps and meter station. This will also disconnect the BAP from the pressure control, temperature control, SCADA, and leak detection systems. These instrument and control components will no longer be within the 49CFR195 jurisdictional boundaries and will be abandoned. Since the BAP contained nitrogen at ambient pressure when it was isolated, it cannot exceed the Maximum Operating Pressure of 450 psig due to changes in ambient temperature, and there is no other connected mechanism to pressurize the BAP. It is estimated that the maximum increase in BAP nitrogen pressure due to anticipated maximum ambient temperatures would be less than 10 psi.
2. Controllers will no longer be required since the BAP will not be used to transport fuel oil. The BAP control systems and control room will be outside of the 49CFR195 jurisdictional boundaries and will be abandoned. Control Room Management per 49CFR195.446 will no longer be required. Qualified Tasks that are associated with BAP operation will be removed from the Operator Qualification Program. Bartow meter station sensors that provide signals to the control room will be abandoned and not be maintained nor calibrated since they will no longer be required to keep the BAP in a safe condition. Bartow meter station pressure controls, temperature controls, flow controls, safety relief valves, and leak detection electronics will be abandoned and not be maintained nor calibrated per 49CFR195.428 and 49CFR195.444 since they are no longer required to keep the BAP in a safe condition. External coatings will be inspected and maintained along with other BAP and Bartow Meter station components within the 49CFR195 jurisdictional boundaries that are exposed to the atmosphere per 49CFR195.581 through 49CFR195.588. Activities relating to this abandoned equipment will be removed from the BAP Operations and Procedures Manual, the Integrity Management Program, and the Operator Qualification Program.
3. Since the BAP will not be operated, the Main Line Valves (MLVs) will no longer be required to operate. They will be manually closed (safe position), and the automatic actuators will be disabled. They may be manually operated to support testing and possible BAP cleaning, inspection, or other BAP sale or abandonment activity. Per 49CFR195.420, new MLV semi-annual inspections will include manual operation of the valve, and continue to assure any water in the MLV vaults has been pumped out, there

are no leaks, the MLVs remain closed, and the valve and pipe coatings within the MLV vault are maintained. MLV telemetry will be abandoned.

4. The BAP has been disconnected from the Anclote meter station and storage tanks. The new 49CFR195 jurisdictional boundaries will become these points where the BAP has been disconnected. The meter station components outside of this boundary will no longer fall under the 49CFR195 programs. This will disconnect the BAP from the Anclote part of pressure control, temperature control, SCADA, and leak detection systems. Anclote meter station sensors that provide remote indication will be abandoned and not be maintained nor calibrated since they are no longer required to keep the BAP in a safe condition. Anclote meter station pressure instruments, temperature instruments, flow instruments, and leak detection electronics will be abandoned and not be maintained nor calibrated since they are no longer required to keep the BAP in a safe condition. Motor operated valves (except MOV-200) will no longer be maintained since they will be disconnected from the BAP. MOV-200 will no longer be required to function, but external coatings will be maintained. Safety Relief Valve SRV-228 will not be required to function, so it will no longer be tested and calibrated, but external coatings will be maintained. MOV-200 and SRV-228 external coatings will be inspected and maintained along with other BAP and Anclote meter station components within the 49CFR195 jurisdictional boundaries that are exposed to the atmosphere per 49CFR195.581 through 49CFR195.588. Activities relating to this abandoned equipment will be removed from the BAP Operations and Procedures Manual, the Integrity Management Program, and the Operator Qualification Program.
5. The BAP Annual Report (DOT Form PHMSA F 7000-1.1) will continue per 49CFR195.49, and BAP National Pipeline Mapping System (NPMS) Annual Resubmission will continue per the NPMS Operator Standards Manual. The 2013 NPMS Annual Resubmission will reflect the idle status of the BAP on December 31, 2013.
6. Inspection of BAP rights-of-way will continue per 49CFR195.412(a).
7. Maintenance of BAP line markers will continue per 49CFR195.410.
8. Security of BAP facilities will be maintained per 49CFR195.436, but will no longer be required for segments disconnected from the BAP and outside of the 49CFR195 jurisdictional boundaries.
9. The BAP public awareness program will be maintained per 49CFR195.440 but will be modified to address inspection, cleaning, sale, and abandonment related activities as required.

10. The BAP emergency response program will continue including training per 49CFR195.403 and communications per 49CFR195.408.
11. The BAP damage prevention program and BAP participation in Sunshine 811 (Florida's one call system) will continue per 49CFR195.442.
12. The BAP integrity management program will be maintained per 49CFR195.452 to preserve BAP condition, but will be updated to reflect the reduced risks of the idle status, and the updated 49CFR195 jurisdictional boundaries. BAP inspection, cleaning, sale, or abandonment related activities will be evaluated through the integrity management program to assure that High Consequence Areas remain protected.
13. The qualification of BAP individuals performing covered tasks per 49CFR195 Subpart G will continue, but the program will be modified to reflect the fact that the BAP will no longer be operated by Duke Energy to transport #6 fuel oil. Covered tasks relating to components outside of 49CFR195 jurisdictional boundaries will be removed from the program. New BAP covered tasks may be added if required to cover inspection, cleaning, sale, or abandonment related activities.
14. Corrosion control activities per 49CFR195 Subpart H will continue to preserve BAP components, but will not cover components outside of the 49CFR195 jurisdictional boundaries.
15. The BAP anti-drug and alcohol program and PHMSA Drug & Alcohol Management Information System (DAMIS) updates will continue per 49CFR199.

Options being considered by Duke Energy for disposition of the BAP include sale to a new owner for possible hazardous liquid or natural gas transportation service. Currently, Duke Energy is continuing 49CFR195 compliance although there will no longer be fuel oil transported through the BAP by Duke Energy.

Question 1: If 49CFR195 compliance is continued without interruption, could the BAP be returned to hazardous liquid service by a new owner without a 49CFR195.5 conversion to service if the other requirements of 49CFR195 are satisfied (and all other federal, state and local requirements are also satisfied)?

Question 2: If 49CFR195 compliance is continued without interruption, could the BAP be qualified for natural gas service by a new owner following a 49CFR192.14 conversion to service if the other requirements of 49CFR192 are satisfied (and all other federal, state and local requirements are also satisfied)? Does 49CFR192.14 recognize 49CFR195 in this situation?

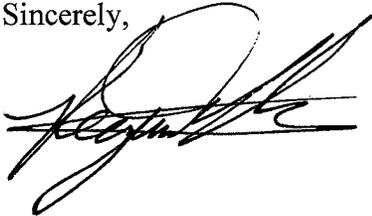
Question 3: If the BAP is abandoned now, could it later be returned to hazardous liquid service per 49CFR195 or natural gas service per 49CFR192 by a new owner? If so, what would be required at that time?

Depending on the ultimate disposition of the BAP, additional cleaning could be required, and could involve using heated nitrogen, pushing cleaning pigs with nitrogen, pushing water and detergent volumes between pigs with nitrogen, rinsing with water between pigs, drying with foam pigs and heated nitrogen (or some other combination of these steps.) Updating existing BAP 49CFR195 programs to cover this cleaning process makes the best use of established infrastructure, training, and experience while still protecting High Consequence Areas.

Question 4: Would 49CFR195 cover this cleaning process (if all other federal, state and local requirements are also satisfied) or are there other pipeline regulations that are intended for this cleaning process?

Question 5: Does the above plan satisfy applicable 49CFR195 Federal pipeline safety regulations for abandonment or sale of the Bartow Anclote Pipeline (if all other federal, state and local requirements are also satisfied)?

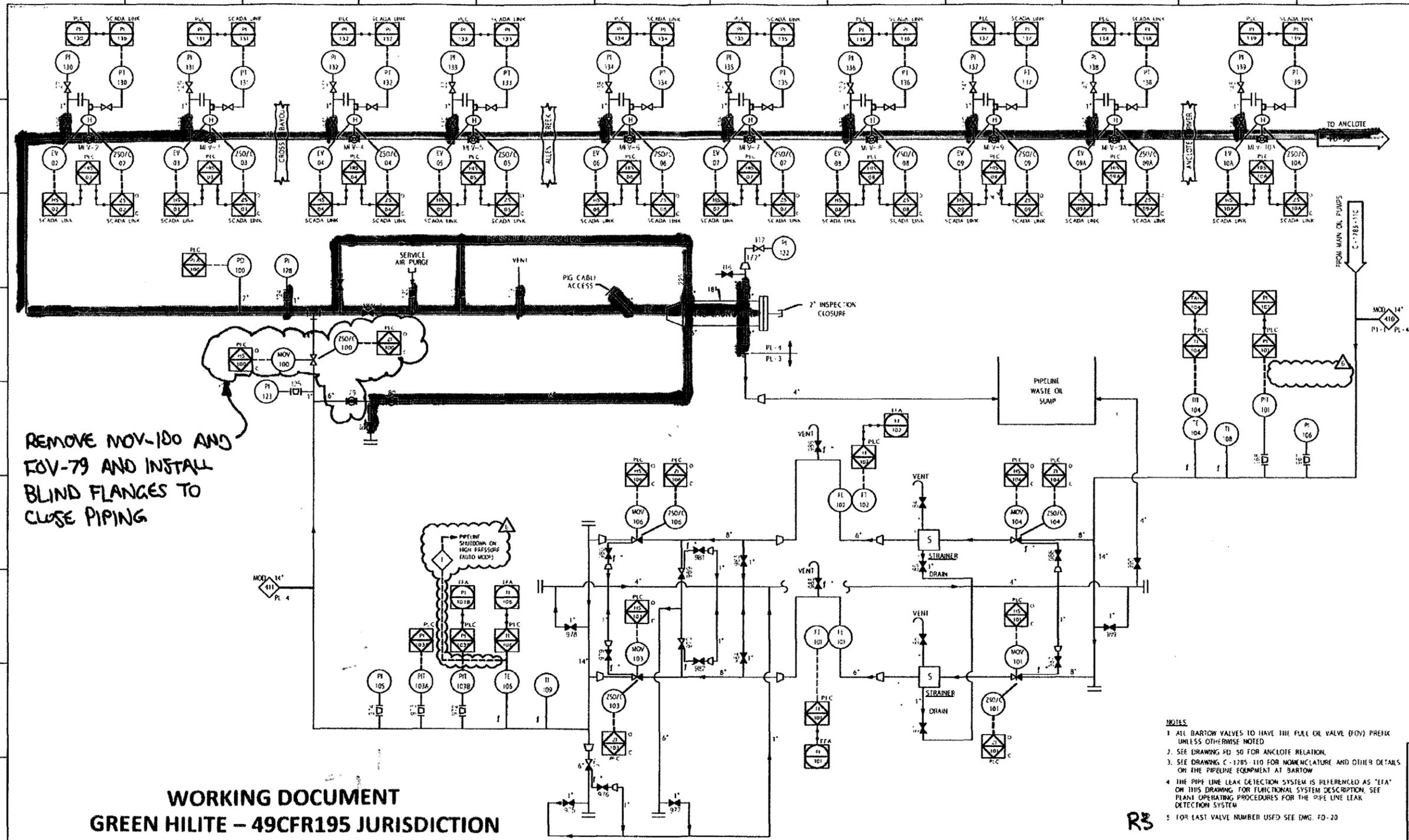
Sincerely,



Reginald Anderson
Bartow CC Station Manager

Enclosures

cc: Mr. Michael Schwarzkopf
Office of Pipeline Safety
PHMSA
US Department of Transportation
233 Peachtree Street
Suite 600
Atlanta, GA 30303



REMOVE MOV-100 AND
FOV-79 AND INSTALL
BLIND FLANGES TO
CLOSE PIPING

**WORKING DOCUMENT
GREEN HILITE - 49CFR195 JURISDICTION**

- NOTES**
1. ALL BARTOW VALVES TO HAVE THE FULL OIL VALVE (FOV) PREFIX UNLESS OTHERWISE NOTED.
 2. SEE DRAWING PD-50 FOR ANCLOTE RELATION.
 3. SEE DRAWING C-1785-110 FOR NOMENCLATURE AND OTHER DETAILS ON THE PIPELINE EQUIPMENT AT BARTOW.
 4. THE PIPE LINE LEAK DETECTION SYSTEM IS REFERENCED AS "EIA" ON THIS DRAWING FOR FUNCTIONAL SYSTEM DESCRIPTION. SEE PLEASE OPERATING PROCEDURES FOR THE PIPE LINE LEAK DETECTION SYSTEM.
 5. FOR LAST VALVE NUMBER USED SEE DWG. PD-20.

R3

STANTEC PROJECT: 198850323 NGR PROJECT: 50318

NOTES:

NO.	DESCRIPTION	DATE	BY	CHKD.
1	ISSUED FOR CONSTRUCTION	11/12/08	JRM	JRM
2	REVISION TO VALVE SYMBOLS (SEE DWG. 50)	6/2/09	JRM	JRM
3	REVISION TO INSTRUMENTATION (SEE DWG. 50)	7/14/09	JRM	JRM
4	REVISION TO INSTRUMENTATION (SEE DWG. 50)	1/22/10	JRM	JRM
5	REVISION TO INSTRUMENTATION (SEE DWG. 50)	1/22/10	JRM	JRM
6	REVISION TO INSTRUMENTATION (SEE DWG. 50)	1/22/10	JRM	JRM
7	REVISION TO INSTRUMENTATION (SEE DWG. 50)	1/22/10	JRM	JRM
8	REVISION TO INSTRUMENTATION (SEE DWG. 50)	1/22/10	JRM	JRM

MUSTANG LAMPA, INC.

10000 W. US HWY 90, SUITE 100, FORT WORTH, TX 76134
 TEL: 817-731-1111 FAX: 817-731-1112
 WWW.MUSTANGLAMPA.COM

PROGRESS ENERGY FLORIDA, INC.	
POWER OPERATIONS GROUP	
BAP	001
SP-03-012	53493 143486
ARCH-D	1=1 1=1

Progress Energy

**BARTOW-ANCLOTE
MAIN OIL PIPELINE AND
BARTOW METERING STATION**

BAP-003-M02-00022 6

