

Pipeline and Hazardous Materials Safety Administration

AUG 1 1 2016

Mr. Steven Giambrone
Pipeline Division Director
State of Louisiana
Department of Natural Resources
Office of Conservation
617 North 3<sup>rd</sup> Street, 9<sup>th</sup> Floor
Baton Rouge, Louisiana 70802

PHMSA-2016-0081

## Dear Mr. Giambrone:

On June 14, 2016, the Pipeline and Hazardous Materials Safety Administration (PHMSA) received a notice from the Commissioner of Conservation in the State of Louisiana, Department of Natural Resources, Office of Pipeline Safety (Louisiana Commissioner), informing us that after hearings on November 19, 2015, and April 21, 2016, in accordance with Section 3.2 of the "Guidelines for States Participating in the Pipeline Safety Program" a waiver was granted to Maurepas Pipeline, LLC, on June 13, 2016, (State of Louisiana, Office of Conservation, Pipeline Division, PL Order No. 7620), pending a 60-day review and no-objection by PHMSA.

The Commissioner issued the State waiver to Maurepas Pipeline, LLC, for variance from the cathodic protection requirements of 49 CFR § 195.563, for the construction of 35.7 miles of 12-inch steel pipe in St. James, St. John the Baptist, and St. Charles Parishes, Louisiana, to connect Motiva's Convent and Norco refineries. The Maurepas pipeline is intended to transport vacuum gas oil (VGO) between the refineries and will eliminate the need for the product to be transported by barge. VGO becomes immobile as it cools and as such, insulation around the pipe must be utilized to keep the product warm enough to be transported by pipeline. Insulation, however, will render cathodic protection ineffective; therefore, Maurepas Pipeline, LLC, proposes to place a jacket (Viscotaq) around the pipe that is impervious to moisture so that external corrosion cannot occur, thus eliminating the need for cathodic protection (CP). While the product has been utilized in pipelines in Europe, there is no known usage of Viscotaq on a pipeline in the U.S.

On July 27, 2016, the Commissioner provided PHMSA a modification to the order of June 13, 2016. PHMSA has "no objections" to the conditions of the Final Amended Order and accepts the "Order" as amended.

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My staff would be pleased to discuss this matter or any other regulatory matter with you. Mr. John Gale, Director of Standards and Rulemaking, may be contacted at 202-366-0434, on regulatory matters and Mr. Kenneth Lee, Director of Engineering and Research, may be contacted at 202-366-2094, on technical matters specific to this State Waiver.

Sincerely,

Acting Associate Administrator for Pipeline Safety