



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue SE
Washington, DC 20590

SEP 15 2011

Mr. Jesus Soto, Jr.
Vice President, Operations Services
Wyoming Interstate Company
El Paso Pipeline Group
1001 Louisiana Street
Houston, Texas 77002

Docket No. PHMSA-2010-0262

Dear Mr. Soto:

On September 1, 2010, the Wyoming Interstate Company (WIC) requested a special permit to operate 60.23 miles of the 24-inch Kanda Lateral at an Alternative Maximum Allowable Operating Pressure (MAOP). Specifically, WIC requested to operate 32.85 miles at 77.7% SMYS and 27.38 miles at 75.2% SMYS. The line was constructed and placed into service in 2007.

The Pipeline and Hazardous Material Safety Administration (PHMSA) has reviewed your special permit application request for a waiver of sections of 49 CFR §§ 192.112(c)(1), 192.112(c)(2), and 192.620(a)(ii) that pertain to the Alternative MAOP Rule. These sections of the Pipeline Safety Regulations pertain to:

- Quality management programs at the steel and pipe rolling mills that may not meet § 192.112(c)(1). WIC states in its application request that it had a quality management program, but does not give specific details of how it met the regulations or is equivalent.
- The pipe was not ultrasonically tested for imperfections, which is required in § 192.112(c)(2) on at least 35 percent of the pipe body.
- The pipe did not have a macro etch test or equivalent method to identify inclusions that may form centerline segregation during the continuous casting process, which are required in § 192.112(c)(2) if the pipe did not have ultrasonic testing to identify imperfections.
- The pipe did not have a detailed quality assurance monitoring program implemented by WIC, or documentation was not submitted to PHMSA, that included audits of the steelmaking and casting process, quality control plans and manufacturing procedure specifications, equipment maintenance and records of performance, applicable casting superheat and speeds, and centerline segregation during continuous casting process.
- Hydrostatic test pressures that do not meet the regulations, § 192.620(a)(2)(ii) for use of the Alternative MAOP Rule, including confirming that the pipe does not contain low

strength pipe joints by implementation of PHMSA's "Interim Guidelines for Confirming Pipe Strength in Pipe Susceptible to Low Yield Strength" dated September 10, 2009.

- WIC has not confirmed through documentation submitted to PHMSA that construction personnel met the construction quality assurance section of the Alternative MAOP Rule as outlined in § 192.328(a).
- PHMSA is of the understanding that several sections of the Alternative MAOP Rule such as running a baseline geometry/deformation tool surveys for dents, in-line high resolution magnetic flux tool surveys, interference surveys, close interval surveys and direct current voltage gradient surveys required by § 192.620(d) would be performed by WIC after receiving and implementing the proposed pressure increase.

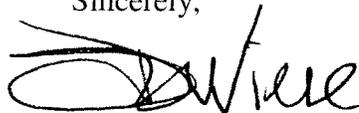
On October 17, 2008, PHMSA issued a final rule with an effective date of December 22, 2008, (73 Fed. Reg. 62148), allowing operators to calculate a higher MAOP for certain lines, if they used specific design factors set forth in 49 CFR 192.620 of the pipeline safety regulations, and designed, constructed, operated, and maintained the pipeline in accordance with 49 CFR §§ 192.112, 192.328, and 192.620. This rule eliminated the need for a special permit to operate at an Alternative MAOP. Rather, an operator would need to comply with the design factors, and operating and maintenance practices codified at §192.620 including §§ 192.112, and 192.328. In the Alternative MAOP Final Rule, PHMSA also stated that any special permits pending at the time the rule was issued would be terminated since they were no longer necessary.

PHMSA has reviewed WIC's request for a special permit and finds that such a waiver would be inconsistent with pipeline safety. Therefore, this request for a special permit is denied. If WIC wants to operate above 72% of specified minimum yield strength (SMYS) in accordance with the Alternative MAOP Rule, it must comply with all of the requirements of §§ 192.112, 192.328, and 192.620.

Pursuant to § 190.341(i), reconsideration of this decision may be sought by petition to the Associate Administrator. Petitions must be received by PHMSA within 20 calendar days of the notice of the denial and must contain a brief statement of the issue, and an explanation of why the petitioner believes the decision is not in the public interest. The Associate Administrator may grant or deny, in whole or in part, any petition for reconsideration without further proceedings.

My staff would be pleased to discuss this decision or any other pipeline safety matter with you. John Gale, Director, Standards and Rulemaking Division, 202-366-4959, may be contacted on regulatory matters and Jeffery Gilliam, Director, Engineering and Research Division, 202-366-0568, may be contacted on technical matters specific to this decision.

Sincerely,



Jeffrey D. Wiese
Associate Administrator for Pipeline Safety