



801 Cherry Street
Suite 3800, Unit 20
Fort Worth, TX 76102

P: (817) 339.5400
F: (817) 339.5401
www.crestwoodlp.com

Received 12/14/2015
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December 15, 2015

Mr. Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628

Re: CPF 1-2015-1026

Dear Mr. Coy,

With respect to your letter of November 17, 2015, Arlington Storage Company, LLC ("ASC") submits the following in response to the Probable Violations Notice of the Pipeline Safety Regulations, Title 49 Code of Federal Regulations. ASC is not contesting or requesting a hearing; however, ASC would like to provide additional information that it feels warrants mitigation in the assessed civil penalties.

Merger

In any merger, there is a changing of the guard and blending of cultures. This was certainly true for the Inergy-Crestwood merger. There were changes in philosophy, leadership and responsibility that ultimately contributed to delays and confusion. The untimely death of a seasoned supervisor only three (3) months before the August 2015 inspection, created a void of regulatory and compliance knowledge which furthered confusion for employees.

Roles and Responsibilities

In addition to the leadership void there were losses of other supervisory and administrative personnel. The loss of these strategic positions resulted in record keeping changes. An example is the fact that during the August 2015 inspection, employees could not find valve records for 2014. Records from 2013 and, more significantly, from the year after (i.e., 2015) were indeed located. There was no longer anyone to ensure periodic activities were timely and records retained in secure locations. The inspection revealed that pipeline patrols exceeded the code requirements by at most three (3) months and this was exactly the time when these voids were created by loss of personnel. Crestwood is confident that but for these untimely losses, the patrols would have been conducted at the required frequency. Once the patrols were re-commenced, no issues were identified.

Steps Forward

Compliance is an ongoing obligation and sometimes the best approach from an organizational point of view takes time to develop. For example, the outstanding issues

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identified by NYPSC in late 2013 during a safety evaluation were remedied by Crestwood and the rollout of Crestwood's internal compliance programs, were just resolved with a final order September 2015. Since the final order was issued in September 2015, the following actions have been taken. Crestwood now has a dedicated DOT Compliance Team, led by me which has completed meetings with all affected employees to determine what/where gaps existed and develop (or revise) procedures to ensure that regulatory compliance is fulfilled. The Compliance Team has held several training sessions, engaged third party consultants, created internal online fillable forms, provided scheduling assistance and re-defined responsibilities with built-in redundancies. Crestwood is implementing a work order system to support and document compliance activities. In addition, specified personnel at each facility have created "regulatory binders" to help identify and maintain all documentation required by the pipeline safety regulations. The documentation is also being saved electronically on a secured, shared network. As a redundant measure, administrative support is now being provided by a Crestwood employee, who is familiar with and been associated with the Arlington assets for a number of years, to assist the on-site personnel with any regulatory reminders that are necessary and to ensure that required records are kept, maintained and placed in secure locations (including on the Company's electronic network). Affected employees are meeting on a regular basis to confirm progress is made, checking-off action items created at each meeting and ensuring that they are staying on top of their work effort. Crestwood's DOT Compliance Team is regularly checking on the progress of all regulatory compliance tasks and providing any additional assistance required. Crestwood, its senior management, and the employees of the ASC assets are committed to compliance with DOT requirements applicable to its regulated pipelines and pipeline facilities.

Commitment

Crestwood has set safety and compliance at the highest priority and has taken affirmative steps to re-enforce policies and procedures, and establish some new procedures, to ensure that compliance with regulatory requirements and record maintenance is met with utmost importance. This is an effort that takes time to complete but at no time have there been any incidents, pipeline strikes, leaks or other potential integrity/safety issues.

Crestwood respectfully requests that the civil penalties preliminarily assessed in the Notice be reduced. Should there be any questions, please contact me.

Sincerely,
Arlington Storage Company, LLC



pp. Alice Ratcliffe
Pipeline Compliance Manger