

WARNING LETTER

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

January 13, 2010

Mr. Steve Pankhurst
Business Unit Leader
Tri-States NGL
c/o BP US Pipeline & Logistics
28100 Torch Parkway
Warrenville, IL 60555

CPF 2-2010-5002W

Dear Mr. Pankhurst:

On June 9-11, 2009, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of your Tri-States NGL Pipeline facilities in Alabama, Mississippi and Louisiana and records at your Moss Point, Mississippi office.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations, Part 195. The items inspected and the probable violations are:

§195.440 Public awareness.

(a) Each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, see §195.3).

(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

(c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

The Tri-States NGL Pipeline transports a highly volatile liquid (HVL) product, making the hazards associated with this pipeline significantly different than the hazards associated with a natural gas transmission pipeline or a pipeline transporting a non HVL hazardous liquid. The brochure that is being mailed to members of the affected public along the Tri-States NGL Pipeline right-of-way is of a very general nature. This brochure contains some very good pipeline safety information. This brochure is applicable to a variety of pipelines, including natural gas transmission and non HVL pipelines but this brochure does not contain information describing the unique attributes and characteristics of an HVL pipeline. There is nothing in the brochure that would alert the reader that the Tri-States NGL Pipeline is an HVL pipeline and that it has hazards associated with it that are very different than those of a natural gas transmission pipeline or a non HVL pipeline.

API RP1162 requires the baseline message to the affected public to contain information on the location of the pipeline. The affected public brochure contains some good general information on pipeline markers and the national pipeline mapping system (NPMS) but it does not contain any information on the location of the Tri-States NGL Pipeline.

A “school letter” was sent to the middle school in Vancleave, MS. This letter is of a very general nature and does not contain any information on the unique attributes and characteristics of an HVL pipeline. This letter states “that a pipeline or pipelines are located within close proximity of your school”. This vague statement would not inform the reader that an HVL pipeline runs directly behind the school, between the school and the school playground.

This letter also incorrectly refers to RP1162 as a federal regulation. RP1162 is an API Recommended Practice that has been incorporated by reference into federal pipeline safety regulations.

§195.440(c) specifically requires the operator’s public awareness program to implement the baseline and supplemental requirements of API RP1162. No supplemental requirements have been implemented for the Tri-States NGL Pipeline for the stakeholder audience of affected public. This is of particular concern in the areas of higher population density such as the area north of Gulfport, MS where the pipeline runs between the backyards of residential houses and the area in Vancleave, MS where the pipeline runs directly behind the middle school.

Under 49 United States Code, §60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violations persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in Tri-States NGL Pipeline, LLC being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 2-2010-5002W**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the

complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,

Linda Daugherty
Director, Southern Region
Pipeline and Hazardous Materials Safety Administration