

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 16, 2013

Mr. Norman Szydowski
President and Chief Executive Officer
SemGroup, LP
6120 South Yale Avenue, Suite 700
Tulsa, Oklahoma 73112

CPF 3-2013-5030M

Dear Mr. Szydowski:

On October 2-4, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected SemGroup, LP's (SemGroup) procedures for Public Awareness Program Effectiveness in Tulsa, Oklahoma.

On the basis of the inspection, PHMSA has identified several inadequacies found within SemGroup's plans or procedures, as described below:

1. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations.

(12) Establishing and maintaining liaison with fire, police, and other appropriate public officials to learn the responsibility and resources of each government organization that may respond to a hazardous liquid or carbon dioxide pipeline emergency and acquaint the officials with the operator's ability in responding to a hazardous liquid or carbon dioxide pipeline emergency and means of communication.

SemGroup's procedures are inadequate because its Public Awareness Plan does not contain a written process to ensure effective liaison relationship with emergency responders, including the sharing of capabilities and SemGroup's emergency response plan.

2. § 195.440 Public Awareness

(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.

SemGroup's procedures are inadequate because its Public Awareness Plan does not include a written process for developing new individual stakeholder audience brochures or making changes to the brochures that specifies when and how to pre-test changes to materials and to determine the level of pretest, including the use of focus groups.

SemGroup's procedures are inadequate because its Public Awareness Plan does not include a written process to ensure that an annual supplemental review is consistent across the entire pipeline system. The supplemental review should include consideration of all 12 supplemental factors listed in API RP 162 along with any other relevant factors identified, such as schools contacting the pipeline right-of-way.

SemGroup's procedures are inadequate because its Public Awareness Plan does not include a written process for the Annual Implementation review that includes what is to be done by stakeholder audience, requirements for reviewing field information/contacts, and developing a summary of what was considered, what will be changed, who will make changes, and when changes are to be completed.

SemGroup's procedures are inadequate because its Public Awareness Plan does not include a written process to identify and track the actual program outreach by its stakeholder audience.

SemGroup's procedures are inadequate because its Public Awareness Plan does not include a written process to establish consistent review and analysis of effectiveness evaluation information by its stakeholder audience for understandability of message content and desired behavior.

SemGroup's procedures are inadequate because its Public Awareness Plan does not include a written process for measuring other bottom line results or a justification on why such tracking is not needed.

SemGroup's procedures are inadequate because its Public Awareness Plan does not include a written process to document the effectiveness evaluation that includes the decisions that were considered and/or made, what changes are to be made, who will make changes and when changes are completed.

3. **§ 195.440 Public Awareness**
- (d) **The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:**
- (1) **Use of a One-Call notification system prior to excavation and other damage prevention activities;**
 - (2) **Possible hazards associated with unintended releases from a hazardous liquid or carbon dioxide pipeline facility;**
 - (3) **Physical indications that such a release may have occurred;**
 - (4) **Steps that should be taken for public safety in the event of a hazardous liquid or carbon dioxide pipeline release; and**
 - (5) **Procedures to report such an event.**
- (e) **The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations.**
- (f) **The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports hazardous liquid or carbon dioxide.**

SemGroup's procedures are inadequate because its Public Awareness Plan does not follow the buffer for affected public as listed in Table 5.1 and as described in its Public Awareness Program (PAP).

SemGroup's procedures are inadequate because its Public Awareness Plan does not include a written process for having a consistent message on the brochures, pipeline markers and given by personnel in the control room who answer the emergency number.

4. **§ 195.440 Public Awareness**
- (g) **The program must be conducted in English and in other languages commonly understood by a significant number and concentration of the non-English speaking population in the operator's area.**

SemGroup's procedures are inadequate because its Public Awareness Plan does not include a written process for the identification of additional languages including when periodic reviews should occur. The plan should also note that the operator is using only English for public officials and emergency officials.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after an opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that SemGroup, LP maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Linda Daugherty, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2013-5030M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*