

## **WARNING LETTER**

### **CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

October 9, 2014

Mr. Wes Christensen  
Sr. Vice President, Operations  
ONEOK NGL Pipeline L.P.  
100 West 5th Street  
Tulsa, OK 74103

**CPF 3-2014-5011W**

Dear Mr. Christensen:

On September 9-19, November 4-6, and November 18-21, 2013, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your records in Medford, OK, your Kansas Gathering facilities from Liberal, KS to Hutchinson, KS, and your North System facilities in Morris, IL and Lemont, IL.

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. The items inspected and the probable violation(s) are:

- 1. §195.402 Procedural manual for operations, maintenance, and emergencies.**
  - (e) Emergencies. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs;**
    - (9) Providing for a post accident review of employee activities to determine whether the procedures were effective in each emergency and taking corrective action where deficiencies are found.**

ONEOK personnel did not take corrective action when they identified an issue during their post incident review of the emergency response to the Romeoville, IL incident that occurred on May 14, 2011.

In the post-accident critique of the incident in Romeoville, IL, it was noted that ONEOK needed to review and determine expectations of the Fire Department and the training and qualifications of ONEOK personnel for those roles. Follow-up with ONEOK personnel found that these issues were not addressed at the time of the PHMSA inspection.

**2. §195.452 Pipeline integrity management in high consequence areas.**

**(k) What methods to measure program effectiveness must be used? An operator's program must include methods to measure whether the program is effective in assessing and evaluating the integrity of each pipeline segment and in protecting the high consequence areas. See Appendix C of this part for guidance on methods that can be used to evaluate a program's effectiveness.**

ONEOK did not adequately measure their IM program's effectiveness for 2012. The annual review presented to PHMSA to meet this requirement concentrated more on the lessons learned from the assessments done and how to improve the assessment program for the future. While this is a component of the effectiveness evaluation, it should also include how the program was effective in protecting the high consequence areas.

**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.**

ONEOK's public education program did not identify all the products that they were transporting in their mailings to the public for 2012 and 2013.

The 2012 and 2013 brochures that were sent to the public do not identify refined fuels as one of the products delivered. In 2011, the brochures did identify refined fuels. It is unknown as to why refined fuels was removed for the 2012 and 2013 mailings.

#### **4. §195.442 Damage Prevention Program**

**(c) The damage prevention program required by paragraph (a) of this section must, at a minimum:**

**(1) Include the identity, on a current basis of persons who normally engage in excavation activities in the area in which the pipeline is located.**

ONEOK is not maintaining an up to date list of excavators that engaged in excavation activities in the area in which the pipeline is located.

ONEOK's list of excavators that excavate around their pipelines is kept up to date by their public awareness (PAP) contractor in conjunction with their PAP program. Also, ONEOK maintains an encroachment file where a letter and information is sent to excavators found by field personnel excavating on or near the pipeline ROW without a OneCall notification. When these excavators are found, ONEOK sends their PAP contractor the names and addresses so they can be added to the annual mailing list. However, it was found that if the mailing address of the excavator is outside the mailing buffer zone around the pipeline, the PAP contractor removes the excavator from the list and the excavator receives no future information from ONEOK. Examples include Precision Farm Drainage on the North System and Hudson Trenching on the KGS system.

#### **5. §195.589 What corrosion control information do I have to maintain?**

**(c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to Secs. 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.**

ONEOK personnel did not document the exposed pipe coating condition when the pipeline was exposed and evaluated as required by §195.569.

During the PHMSA field evaluation on Line 105, at MP 219.857, it was noticed that there was some recent excavation work done at the test station. The corrosion technician indicated that they had vacuum excavated the line at this location to fix the test station. When the PHMSA representative asked if an exposed pipe report was completed, the

technician indicated that it was not, since it was a vacuum excavation. However, the technician also went on to indicate that the coating was good at this location. When asked how he knew, he indicated that he had to check the integrity of the pipe before he could cad weld a test lead on to the pipe. If the vacuum excavation was big enough to make that evaluation and attach a test point, then an exposed pipe report should have been done. ONEOK indicated that a report would be completed to document the inspection.

Additionally, the records reviewed found two examples of missing documentation regarding exposed pipe coating conditions. The first was the Equipment Addition/Deletion (EAD) form for a casing removal on Line 106 in the North System. There is a place to document the information, but it was not filled out. The second was on an Inspection and Investigate (INI) form for Line 106. It looks like a pipeline crossed underneath Line 106, but no coating condition was filled out.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a 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 item(s) identified in this letter. Failure to do so will result in ONEOK NGL Pipeline L.P. 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 3-2014-5011W**. 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,

Allan C. Beshore  
Director, Central Region  
Pipeline and Hazardous Materials Safety Administration