



**Paulsboro Natural Gas Pipeline
Company LLC**

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March 5, 2021

Mr. Robert Burrough
Director, Eastern Region
U.S. Department of Transportation
Pipeline and Hazardous Material Safety Administration
840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628

RE: Response to Notice of Probable Violation, Docket: CPF 1-2021-002 NOPV

Dear Mr. Burrough,

Paulsboro Natural Gas Pipeline Company, LLC (PNGPC) received a Notice of Probable Violation, Docket CPF 1-2021-002 NOPV dated February 5, 2021, from an audit performed from February 27, 2020 to October 2, 2020. This response is necessary to identify actions PNGPC has taken to address each probable violation and to request rescinding the civil penalties associated with this NOPV. Therefore, as defined in the NOPV *Response Options for Pipeline Operators in Enforcement Proceedings* under 49 CFR Part §190.208, *Procedure for Responding to a NOTICE OF PROBABLE VIOLATION, I(a), Option 2*, PNGPC is not contesting the Notice, however, is providing an EXPLANATION relevant to the proposed penalty and request for removal.

In the Notice of Probable Violation the inspector states that PNGPC failed to: 1) periodically conduct sampling of combustible gases using an instrument capable of determining the percentage of gas in the air at which the odor becomes readily detectable, and 2) failed to follow its written procedures, P-192.481 "Atmospheric Corrosion Procedure", specifically, for not marking the form (Good, Fair or Poor) upon completing the triennial external corrosion inspection. Below is how each probable violation was addressed:

- 1) As it applies to the first probable violation, PHMSA states that in accordance with 49 CFR §192.625 ***Paulsboro failed to conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable.***

Due to third party damage that occurred on our 8" natural gas pipeline in 2015, on October 2017, PNGPC completed the construction and put into service a 2.62 mile, 24"/12" diameter natural gas pipeline that takes delivery from Enbridge Natural Gas Company in Pennsylvania near the Philadelphia International Airport to provide natural gas to the Paulsboro Refinery in New Jersey. To assure the new pipeline was managed under current regulations, 49 CFR §192, PNGPC rewrote the OM&E manual prior to the startup in 2017. In the development of this manual, because FERC requires Enbridge to inject mercaptan into their pipeline and Enbridge provided documentation that they were odorizing the natural gas supplied to PNGPC, it was interpreted that §192.625 did not apply to PNGPC's operation and consequently did not include a procedure for assuring odorant was present.

PNGPC has since revised its OM&E manual to include a procedure and form to capture this requirement as required by PHMSA's Notice of Amendment CPF 1-2021-001 NOA dated January 14, 2021. On February 17, 2021, PHMSA provided PNGPC a letter approving the procedure amendment and closed the NOA.



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- 2) As it applies to the second probable violation, PHMSA states that ***during the inspection, the PHMSA inspector reviewed Paulsboro's Atmospheric Corrosion Control Record F-192.491 for atmospheric corrosion inspection conducted on 8/10/20 at the Spectra Junction/Paulsboro, along with Paulsboro's related AC procedure P-192.481. PNGPC's procedure P-192.481 states that three grading scales will be utilized, therefore, PNGPC failed to follow its AC procedure, as required by §192.605(a).***

While all atmospheric corrosion inspections were performed and documented on form F-192.491 as required by §192.481, on October 30, 2020, PNGPC provided the inspectors a revised copy of form F-192.491 to include three categories of condition (Good, Fair, Poor) to assure this inspection details documented consistent with PNGPS's procedure.

In conclusion, for atmospheric corrosion inspection procedures, PNGPC has revised the inspection form to assure compliance with the OM&E manual procedure. As it applies to testing for odorant, PNGPC interpreted §192.625 to apply to the operator who had control and responsibility for odorizing the natural gas and in so much required Enbridge to provide documentation that the natural gas provided to PNGPC met the specification required by regulation. This documentation was provided to the inspectors. PNGPC has since revised its procedures per PHMSA's Notice of Amendment and will perform the odorant testing as prescribed.

As for civil penalties, Assessment Considerations under 49 CFR §190.225(a) states that PHMSA should consider:

- (1) the nature of the circumstances and gravity of the violation, including the adverse impact to the environment;
- (2) The degree of the respondent's culpability;
- (3) The respondent's history of prior offenses;
- (4) Any good attempt by the respondent to in attempt to achieve compliance.

Given that PNGPC had procedures in place to assure the natural gas was being odorized, immediately revised its odorant sampling procedure and corrosion inspection forms as recommended by the inspector, has had no previous violations, and no impact to the environment associated with these issues, PNGPC respectfully requests the civil penalty associated with the odorant issue be rescinded.

Should you have any questions concerning this response, please don't hesitate to contact me at 281-602-4224 or email at Thomas.mclane@pbfenergy.com.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Thomas J. McLane', written over a white background.

Thomas J. McLane
Director, Regulatory Compliance

Attachment: OM&E Procedure P-192.625

Cc: Steve Giarrantano, PHMSA
Mark Sacchetti, PHMSA
Jim Fedena, PBF Holding Co. Sr. Vice President, Logistics