



U.S. Department  
of Transportation

**Pipeline and  
Hazardous Materials Safety  
Administration**

233 Peachtree Street Ste. 600  
Atlanta, GA 30303

## NOTICE OF AMENDMENT

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 9, 2012

Mr. Gustavo J. Velasquez  
Vice President Supply and Marketing  
Citgo Petroleum Corporation (Terminals)  
1293 Eldridge Parkway  
Houston, TX 77077

**CPF 2-2012-6009M**

Dear Mr. Velasquez:

From March 26-30, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, inspected the Citgo Petroleum Corporation (Terminals) (Citgo) written operations and maintenance (O&M) procedures in Florida pursuant to Chapter 601 of 49 United States Code.

On the basis of the inspection, PHMSA has identified apparent inadequacies within Citgo's written procedures, as described below:

- 1. §195.52 Immediate notice of certain accidents. . . .**  
**. . . (c) Calculation. A pipeline operator must have a written procedure to calculate and provide a reasonable initial estimate of the amount of released product.**

Citgo's procedures for immediate notice of certain accidents were inadequate because Citgo did not have a written procedure to calculate and provide a reasonable initial estimate of the amount of released product. Citgo's O&M manual conveyed that a "*...reasonable initial estimate of the amount of released product will be calculated...*"; however, written calculation procedures were not included.

#### 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 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 Citgo Petroleum Corporation (Terminals) maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Wayne T. Lemoi, Director, Southern Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 2-2012-6009M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Wayne T. Lemoi  
Director, Office of Pipeline Safety  
PHMSA Southern Region

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