

NOTICE OF AMENDMENT

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

August 25, 2020

Kevin Burdick
Executive Vice President & Chief Operating Officer
ONEOK NGL Pipeline, LLC
100 West Fifth Street
Tulsa, Oklahoma 74103

CPF 4-2020-004-NOA

Dear Mr. Burdick:

From February 10 to 27, 2020, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected ONEOK NGL, LLC's (ONEOK) Operation and Maintenance Procedures for its hazardous natural gas liquid transmission pipeline system located in Tulsa, OK.

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

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

(a) *General.* Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

§195.64 National Registry of Pipeline and LNG Operators.

(c) *Changes.* Each operator must notify PHMSA electronically through the National Registry of Pipeline and LNG Operators at <http://opsweb.phmsa.dot.gov>, of certain events.

(2) An operator must notify PHMSA of any following event not later than 60 days after the event occurs:

(i) A change in the primary entity responsible (i.e., with an assigned OPID) for managing or administering a safety program required by this part covering pipeline facilities operated under multiple OPIDs.

(ii) A change in the name of the operator;

(iii) A change in the entity (e.g., company, municipality) responsible for operating an existing pipeline, pipeline segment, or pipeline facility;

(iv) The acquisition or divestiture of 50 or more miles of pipeline or pipeline system subject to this part; or

(v) The acquisition or divestiture of an existing pipeline facility subject to this part.

ONEOK's Natural Gas Liquid Operations & Maintenance (O&M) Manual (Document No. PRC1400.00; last revised 11/4/2019/rev.17), Section 2 (page 17) failed to include procedures for the notification to PHMSA through the National Registry for changes in operations as required by §195.64(c)(2). The requirements for the notification were placed in a non-related section on page 18 of its O&M Manual.

On July 10, 2020, ONEOK emailed PHMSA staff an updated procedure (dated July 1, 2020) and PHMSA staff confirmed with ONEOK that the misplaced acquisition/divestiture section from page 18 was correctly removed and moved to the O&M Manual section for PHMSA Event Notifications. No further action is necessary for this item.

2. **§195.402 Procedural manual for operations, maintenance, and emergencies.**

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

ONEOK's written O&M Manual (Document No. PRC1400.00; last revised 11/4/2019/rev.17) did not include adequate procedures in the ten areas listed below:

- A. ONEOK's written O&M and Emergency Procedures (Section 3 - Normal Operations; 3.1 General Procedures, Section 2-Emergency Procedures) did not include procedures for reviewing its manual once each calendar year at intervals not exceeding 15 months, nor did it include procedures for the process and responsibility of documenting the review and any subsequent changes.

During the inspection, PHMSA representatives were referred to Section 6 - Employee Training; Review: Emergency Response Training, Emergency Procedures, and Emergency Action Plans §195.403(a)(1)(4) &

§195.403(b). However, the referenced section did not address the review of the Emergency Procedures, but rather a review of the effectiveness of the emergency response training program.

On July 10, 2020, ONEOK emailed PHMSA staff an updated procedure for review of its Emergency Procedure, dated July 1, 2020. PHMSA OPS reviewed the updated procedures and confirmed that ONEOK addressed the identified inadequacy by adding the required frequency in accordance with §195.402(a). Therefore, no further action is necessary for this item.

- B. ONEOK's O&M Manual did not have an adequate procedure for providing protection against ignitions of breakout tanks as required under §195.405(a).

Although ONEOK's O&M Manual refers to the applicable API RP 2003, it does not contain procedures that address protection against ignitions of aboveground breakout tanks or provides justification in the O&M as to why compliance with all or certain provisions of API RP 2003 are not necessary for the safety of a breakout tank.

ONEOK's O&M must be amended to include a procedure for the protection against ignitions in accordance with §195.405(a) or provide a justification as to why compliance with all or certain provisions of API RP 2003 is not necessary.

- C. ONEOK's emergency procedures in its O&M Manual were inadequate because the procedures did not correctly reference the appropriate pipeline safety regulation. Specifically, Section 2-Emergency Procedures; Accident Review §195.402(c)(4)-(6)/§195.446(g)(1) and Section 6-Employee Training; Review: Emergency Response Training, Emergency Procedures, and Emergency Action Plans §195.403(a)(1-4)/§195.403(b) provided procedures for conducting a post-accident review of employee activities to determine whether the procedures were effective in each emergency and to take corrective action where deficiencies are found. However, the appropriate code reference for this procedure is §195.402(e)(9), and not §195.402(c)(4)-(6).

On July 10, 2020, ONEOK submitted to PHMSA updated procedures dated July 1, 2020. PHMSA reviewed and confirmed that procedures were updated to include the correct code reference §195.402(e)(9) in Section 2 and to remove the reference to the post-accident review in Section 6. No further action is necessary for this item.

- D. ONEOK's O&M Section 3-Normal Operations, Maximum Operating Parameters- §195.406 (page 29-30). MOP Establishment and Pressure Testing Process and Establishing Pressure Controller and Shutdown Device Set Points process is inaccurate as both activities refer to the same procedure number NGLdot3.0428.

On July 10, 2020, ONEOK emailed PHMSA an updated procedure date July 1, 2020, which PHMSA reviewed and confirmed that the procedure in Section 3 of

ONEOK's O&M Manual was corrected to reflect the correct referenced procedure of NGLdot3.0428 - Establishing Pressure Controller and Shutdown Device Set Points. No further action is necessary for this item.

- E. ONEOK's O&M Section 3-Normal Operations, Pipeline Marking-§195.410 was inadequate because it did not reference ONEOK's Right of Way and Pipeline Marker Evaluation Procedure (Document No. NGL.dot3.0410; rev. 3.2, last revised 1/21/12), which is a procedure that outlines the process for ONEOK to evaluate its buried pipelines to ensure there is proper line markers in accordance with §195.410.

On July 10, 2020, ONEOK emailed an updated procedure date July 1, 2020 to PHMSA, who reviewed and confirmed that Section 3 of ONEOK's O&M Manual was revised to include reference to the ONEOK's Right of Way and Pipeline Marker Evaluation Procedure. No further action is necessary for this item.

- F. ONEOK's O&M procedures for inspections of rights-of-way and crossing under navigable waters was inadequate because it did not reference ONEOK's guideline for evaluation of pipeline crossings under waterways. Specifically, Section 3-Normal Operations, Navigable Waterway Crossing-§195.412(b) on page 33 of ONEOK's O&M Manual did not reference. ONEOK Guideline 1601.193-Evaluation of Pipeline Crossing Under Waterways Procedure.

On July 10, 2020, ONEOK provided an updated procedure dated July 1, 2020 to PHMSA, who reviewed and confirmed that the procedure was revised to include reference to the ONEOK Guideline 1601.193 on page 36. Therefore, no further action is necessary for this item.

- G. ONEOK's O&M Section 3-Normal Operations; Breakout Tank Inspection - §195.405; §195.428(d); §195.432 does not have the correct cross reference to other ONEOK procedures that ONEOK personnel utilized during inspections. While Section 4 includes reference to the applicable API Standards that should be used when conducting the breakout tank inspections, this procedure does not include a reference to the ONEOK's Breakout Tank Inspections Procedure (Document No: 2.200.2301; rev. 02; date revised-1/22/2020). In addition, this breakout tank inspection procedure is not referenced in any part of ONEOK's O&M Manual.

During the inspection, ONEOK representatives stated that the O&M staff, who conduct breakout tank inspections, rely on ONEOK's Breakout Tank Inspections Procedure, which provides detailed guidance in the performance of the breakout tank inspections. ONEOK must review its O&M Manual to ensure it references ONEOK's Breakout Tank Inspections Procedure in the appropriate and applicable sections, and amend accordingly.

- H. ONEOK's O&M Manual, Section 3-Normal Operations, Security of Pipeline Facilities-§195.436, included a reference to a security standard that is not

applicable to the security requirements of §195.436. Specifically, this procedure states, “ONEOK will provide protection from vandalism and unauthorized entry for each pumping station, breakout tank area, or other exposed pipeline facilities in accordance with the Operations Security Compliance Standard.”

During the inspection, PHMSA reviewed Operations Security Compliance Standard, which addressed direct security incident management and security regulatory compliance activities for ONEOK operations and also contained a section on Physical Security-7.1. The Standard, however, noted that "Security requirements associated with other regulations, such as DOT 192 and §195, are not within the scope of this Standard." Furthermore, while reviewing the Pump Station Security procedure, which is also found in Section 3-Normal Operations, Security of Pipeline Facilities-§195.436, there was a reference to Facility Security Plan (Document no. NGLsaf3.0001), however, ONEOK was unable to locate this Plan upon request.

On July 10, 2020, ONEOK submitted an updated procedure dated July 1, 2020 to PHMSA, who reviewed and confirmed that ONEOK updated Section 3 to remove incorrect security procedures. No further action is necessary for this item.

- I. ONEOK’s O&M Manual did not provide adequate instructions for the installation of test leads in accordance with §195.567(b). PHMSA inspectors review Section 3-Normal Operations, Test Leads-§195.567 on page 43 of ONEOK’s O&M Manual and ONEOK’s Corrosion Control Manual (NGLdot3.0550), and noted that neither contained a typical installation procedure or diagram for the installation of test leads. Instead, ONEOK provided during the inspection two different documents and drawings for the installation of test leads – one from its engineering department and other was from its construction department – however, these documents were not referenced in ONEOK’s O&M Manual.

On July 10, 2020, ONEOK provided an updated procedure (dated July 1, 2020) via email to PHMSA. PHMSA reviewed the updated procedures and confirmed that the procedure was revised to include reference to the ONEOKs Cathodic Protection Test Station drawing 999-CP-065 for instructions on how to install test leads on page 47. Therefore, no further action is necessary for this item.

- J. ONEOK’s O&M Emergency Procedures are inadequate because the procedures did not provide a process or details for minimizing the likelihood of accidental ignition of vapors in areas near facilities identified in §195.402(c)(4) where the potential exists for the presence of flammable liquids or gases. Section 2-Emergency Procedures, Accidental Ignition-§195.402(c)(11) does not provide written procedures but only recites the regulatory text of -§195.402(c)(11).

ONEOK must amend its procedures to address the specifics of the ONEOK NGL system by providing more details for minimizing the likelihood of accidental ignition vapors, and not simply paraphrasing §195.402(c)(11).

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If 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. § 190.206). 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 ONEOK NGL Pipeline, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Mary McDaniel, Director, Southwest, PHMSA. In correspondence concerning this matter, please refer to CPF 4-2020-004-NOA and, for each document you submit, please provide a copy in electronic format whenever possible.

In regards to Items 1, 2A, 2C – 2F, 2H and 2I listed above, ONEOK provided updated O&M procedures via email to PHMSA on July 10, 2020. These procedure submittals were reviewed and deemed adequate. No further action is required in response to these items.

Sincerely,

Mary L. McDaniel, P.E.
Director, Southwest, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration