

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

June 28, 2017

Mr. David Wortman
Vice President, Supply and Transportation
Kiantone Pipeline Corporation
c/o United Refining Company
814 Lexington Avenue
Warren, PA 16365

CPF 1-2017-5022W

Dear Mr. Wortman:

On April 4-5, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) conducted an investigation regarding public complaint allegations of pipeline safety violations involving the Kiantone Pipeline Tank Farm facilities located in Warren, Pennsylvania.

As a result of the investigation, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

1. §195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

Kiantone failed to ensure through qualification that individuals performing covered tasks are qualified in accordance with their written qualification program. Specifically, Kiantone was unable

to demonstrate that pump house personnel at the United Refinery Facility, located in Warren, PA; were qualified to perform covered tasks related to the pipeline and tank farm operations and maintenance that they conducted prior to 2017.

During a public inquiry investigation conducted by PHMSA on April 4-5, 2017, PHMSA reviewed Operator Qualification records specific to pump house operations.

1. The records showed that qualification of pump house personnel was done in 2017. Kiantone did not have records to show that any pump house personnel were qualified prior to 2017.
2. Kiantone personnel stated that:
 - a. In the past, pump house personnel were not included under the Operator Qualification Program even though they performed covered tasks on the pipeline and tank farm facilities. They also agreed that certain individuals should have been included based on the pipeline and tank farm operation and maintenance tasks they perform.
 - b. Appropriate pump house personnel were included in the program starting in 2017.
 - c. “In an effort to align with similar industry programs nationwide, Kiantone Pipeline has been transitioning since June 2016 from its original OQ program to a new OQ program developed by Veriforce. The transitional period for qualification has been ongoing and is nearing completion. All pump house operators and operator substitute personnel have finished the necessary training and most have completed their final interview/evaluation. If, while final interviews/evaluations are pending, any required OQ task(s) need to be performed by an operator awaiting final evaluation, the task(s) will be executed under the direct supervision of the OQ qualified supervisor.”

As of April 27, 2017, under 49 U.S.C. §60122 and 49 CFR §190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists up to a maximum of \$2,090,022 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 Kiantone Pipeline Corporation being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, please submit all correspondence in this matter to Robert Burrough, Acting Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. Please refer to **CPF 1-2017-5022W** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

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,

Robert Burrough
Acting Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration