

## WARNING LETTER

### OVERNIGHT EXPRESS DELIVERY

June 8, 2017

James Roberts  
Vice President of Environmental, Health and Safety  
Utica East Ohio Midstream LLC  
600 Travis, Suite 5600  
Houston, TX 77002

**CPF 1-2017-6003W**

Dear Mr. Roberts:

From August 10 to 14, 2015, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Utica East Ohio Midstream LLC's (UEO) intrastate hazardous liquid pipeline and certain procedures in its *Operation, Maintenance and Emergency Manual*, Revised July 2015 (*OM&E Manual*) and *Control Room Manual (CRM)*, Revision date 7/17/2015 in Salineville, Ohio.<sup>1</sup>

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

**1. §195.420 Valve maintenance.**

**(a) ...**

**(c) Each operator shall provide protection for each valve from unauthorized operation and from vandalism.**

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<sup>1</sup> UEO is a joint venture between Access Midstream Partners L.P. (Access) (Williams Partners L.P. merged with Access), M3 Midstream LLC (Momentum) and EV Energy Partners, L.P. See, William's website, available at <http://investor.williams.com/press-release/access-midstream-partners-projects/utica-east-ohio-announces-major-expansion> (last accessed May 10, 2017).

UEO failed to provide protection for each valve from vandalism as prescribed in §195.420(c).

During the field inspection, the PHMSA representative observed and took photographs of the following valve stations:

1. MLV#600 on Castle Road near Scio; and
2. MLV#300 on Route 39 in Mechanicstown.

These valve stations were located in an open area, on a property, with no gate or fence. The valve stations were surrounded by guardrails (an approximate five feet long vertical rail, four feet from the ground with posts at each end, and spaced approximately three feet apart from each other around the valve), allowing an individual(s) access to the valve. The PHMSA representative did not notice a security camera, alarm or other means to protect the valve from vandalism. Therefore, UEO did not provide protection from vandalism for the valves.

UEO sent an e-mail dated May 12, 2017 to the PHMSA representative stating that it installed fencing around the valve stations since the inspection, and attached a photograph of the Route 39 valve station with barbed wire fencing around it.

## 2. §195.446 Control room management.

**(a) General. This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA<sup>2</sup> system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by §195.402. An operator must develop the procedures no later than August 1, 2011...**

UEO failed to have and follow written control room management procedures that implemented all requirements of §195.446 from 2013 to late mid-2015 as prescribed in §195.446(a). In addition, UEO failed to integrate control room management procedures, as appropriate, into its written procedures for operations, maintenance, and emergencies which are required by §195.402 as prescribed in §195.446(a).

During this inspection, UEO provided the following details about the pipeline system:

- 1) 12" NGL Spine from Kensington Plant to Harrison Hub, Line UEO-8000 commissioned in 7/28/13
- 2) 8" Ethane Line to ATEX, Line UEO 4000-8 commissioned in 2/12/14
- 3) 8" Propane Line to ATEX, Line UEO 4100-8 commissioned in 11/7/13
- 4) 8" NGL Spine from Leesville Plant to Harrison Hub, UEO 6000-8 commissioned in 12/8/14
- 5) Control room at Leesville Plant

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<sup>2</sup> As defined in §195.2, supervisory control and data acquisition (SCADA) system means a computer-based system or systems used by a controller in a control room that collects and displays information about a pipeline facility and may have the ability to send commands back to the pipeline facility.

The PHMSA representative requested to review the control room management procedures. UEO presented the *CRM*. The PHMSA representative noted that the *CRM* was the initial version which had a July 17, 2015 approval date and an August 15, 2015 implementation date.

According to §195.446, UEO was required to have and follow control room procedures on the date the pipeline began operation in 2013.

Subsequently, on April 10, 2017, the PHMSA representative sent an e-mail to UEO requesting information about the control room at Leesville Plant. By email dated April 18, 2017, UEO responded with the following statements:

The Leesville Plant started up in early December 2014 but at that time the Leesville control room was not utilized for the monitoring and control of liquid pipeline systems. The monitoring and control of the liquid pipeline systems was a shared function between the Kensington and Harrison Plant Control Rooms since initial start-up of the UEO system. At the time of the 2015 inspection, the monitoring, measurement, and control of all liquid pipeline systems had been transitioned and centralized to the Leesville Plant.

Kensington and Harrison Plant Control rooms did monitor and control all or part of the UEO pipeline systems through a SCADA system... Both the Kensington and Harrison Plants had the ability to monitor and control these pipelines... Given the pipeline monitoring and control scheme above, it was determined that the centralization of pipeline monitoring and control was necessary and therefore a transition was started in 2014 that led to the pipeline control and monitoring at the Leesville Plant. All 3 plants had procedures and training in place for board/control room operators to monitor and control the pipeline systems as described above but no single and formalized CRM Plan was in place (emphasis added). Various SOPs and Control System Manuals were utilized.

In another e-mail dated May 3, 2107, UEO stated that a “formalized CRM plan was implemented in 2015 as well as the pipeline control centralized at Leesville, prior to this our procedures for pipeline control were intertwined with PSM plant Standard Operating Procedures. These procedures were basic operating procedures (emphasis added).” UEO did not demonstrate that it had and followed written control room management procedures that implemented all requirements of §195.446 from 2013 to late mid-2015.

Therefore, UEO failed to have and follow written control room management procedures that implemented all requirements of §195.446 from 2013 to late mid-2015 as prescribed in §195.446(a).

In addition, the control room management procedures in the *CRM* were not incorporated, as appropriate, into the *OM&E Manual*. The *OM&E Manual* did not mention or reference the control room management procedures in the *CRM*. Therefore, UEO failed to integrate control room management procedures, as appropriate, into its written procedures for operations, maintenance, and emergencies which are required by §195.402 as prescribed in §195.446(a).

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 items identified in this letter. Failure to do so will result in Utica East Ohio Midstream LLC being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, please submit all correspondence to Robert Burrough, Acting Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. Please refer to **CPF 1-2017-6003W** 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](mailto:robert.burrough@dot.gov). Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Please 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