



U.S. Department  
of Transportation

Pipeline and Hazardous Materials  
Safety Administration

1200 New Jersey Avenue SE  
Washington DC 20590

MAR 08 2019

Mr. Richard D. Kinder  
Executive Chairman  
Kinder Morgan, Inc.  
1001 Louisiana Street, Suite 1000  
Houston, Texas 77002

**Re: CPF No. 1-2018-5005**

Dear Mr. Kinder:

Enclosed is the Final Order issued in the above-referenced case to your subsidiary, Kinder Morgan Liquid Terminals, LLC. It makes findings of violation, assesses a civil penalty of \$217,400, and specifies actions that need to be taken to comply with the pipeline safety regulations. The penalty payment terms are set forth in the Final Order. When the civil penalty has been paid and the terms of the compliance order completed, as determined by the Director, Eastern Region, Office of Pipeline Safety, PHMSA, this enforcement action will be closed. Service of the Final Order by certified mail is effective upon the date of mailing as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Mr. Robert Burrough, Director, Eastern Region, Office of Pipeline Safety, PHMSA  
Mr. Joshua Etzel, President – Operations and Engineering, Kinder Morgan Liquid  
Terminals, LLC, 78 Lafayette Street, Carteret, NJ 07008

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

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**In the Matter of** )  
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**Kinder Morgan Liquid Terminals, LLC,** )  
**a subsidiary of Kinder Morgan, Inc.,** )  
)

**Respondent.** )  
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**CPF No. 1-2018-5005**

**FINAL ORDER**

From August 31 through September 3, 2015, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Kinder Morgan Liquid Terminals, LLC (KMLT or Respondent), in Carteret, New Jersey. KMLT operates approximately 14.6 miles of natural gas transmission pipeline, 88.4 miles of hazardous liquid transmission pipeline, and 279 breakout tanks across five different states. The facilities inspected were comprised of 2.28 miles of hazardous liquid transmission pipeline, and two terminal locations in Carteret and Perth Amboy, New Jersey. The terminal locations have 87 total breakout tanks. The commodities transported are refined petroleum products.<sup>1</sup>

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated January 18, 2018, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that KMLT had committed four violations of 49 C.F.R. Part 195 and proposed assessing a civil penalty of \$217,400 for the alleged violations. The Notice also proposed ordering Respondent to take certain measures to correct the alleged violations.

After requesting and receiving an extension of time to respond, KMLT responded to the Notice by letter dated February 28, 2018 (Response). Respondent did not contest the allegations of violations but provided an explanation of its actions and requested that Item 4 of the Notice be reduced to a Warning Item, with no associated penalty, and that the remaining proposed civil penalties be reduced. KMLT also requested additional time to comply with the Proposed Compliance Order. Respondent did not request a hearing and therefore has waived its right to one.

<sup>1</sup> Pipeline Safety Violation Report (Violation Report), (January 18, 2018) (on file with PHMSA), at 1.

### FINDINGS OF VIOLATION

In its Response KMLT did not contest the allegations in the Notice that it violated 49 C.F.R. Part 195, as follows:

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 195.428(a), which states:

**§ 195.428 Overpressure of safety devices and overflow protection systems.**

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

The Notice alleged that Respondent violated 49 C.F.R. § 195.428(a) by failing to inspect and test, at the required intervals, the relief devices located on surge tanks ST-3, ST-4, ST-5, ST-6, and 150-1 to determine that they were adequate from the standpoint of capacity. Specifically, the Notice alleged that KMLT's records of capacity calculations for the referenced relief devices did not identify the tanks, were not dated, and did not include any information related to the capacity of the devices.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.428(a) by failing to inspect and test, at the required intervals, the relief devices located on surge tanks ST-3, ST-4, ST-5, ST-6, and 150-1 to determine that they were adequate from the standpoint of capacity.

**Item 2:** The Notice alleged that Respondent violated 49 C.F.R. § 195.573(a)(1), which states:

**§ 195.573 What must I do to monitor external corrosion control?**

(a) *Protected pipelines.* You must do the following to determine whether cathodic protection required by this subpart complies with § 195.571:

(1) Conduct tests on the protected pipeline at least once each calendar year, but with intervals not exceeding 15 months. However, if tests at those intervals are impracticable for separately protected short sections of bare or ineffectively coated pipelines, testing may be done at least once every 3 calendar years, but with intervals not exceeding 39 months.

The Notice alleged that Respondent violated 49 C.F.R. § 195.573(a)(1) by failing to conduct corrosion-control monitoring tests at least once per calendar year, but with intervals not exceeding 15 months. Specifically, the Notice alleged that KMLT's records from January 1, 2012, through December 31, 2014, showed that KMLT failed to take 25 structure pipe-to-soil readings from 2013 through 2014.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.573(a)(1) by failing to conduct corrosion-control monitoring tests at least once per calendar year, but with intervals not exceeding 15 months.

**Item 3:** The Notice alleged that Respondent violated 49 C.F.R. § 195.575(c), which states:

**§ 195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?**

- (a) ....
- (c) You must inspect and electrically test each electrical isolation to assure the isolation is adequate.

The Notice alleged that Respondent violated 49 C.F.R. § 195.575(c) by failing to inspect and electrically test each electrical isolation to assure the isolation is adequate. Specifically, the Notice alleged that KMLT's records from January 1, 2012, through December 31, 2014, showed that KMLT failed to take seven casing pipe-to-soil readings from 2013 through 2014.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.575(c) by failing to inspect and electrically test each electrical isolation to assure the isolation is adequate.

**Item 4:** The Notice alleged that Respondent violated 49 C.F.R. § 195.589(c), which states:

**§ 195.589 What corrosion control information do I have to maintain?**

- (a) ....
- (c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to §§ 195.569, 195.573(a) and (b) and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.

The Notice alleged that Respondent violated 49 C.F.R. § 195.589(c) by failing to maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by Subpart H of 49 C.F.R. Part 195 in sufficient detail to demonstrate the adequacy of corrosion-control measures or that corrosion requiring control measures did not exist. Specifically, the Notice alleged that KMLT failed to maintain records of annual inspections of cathodic-protection systems used to control corrosion on the bottom of aboveground breakout tanks 100-6, 100-7, 100-9, and 120 to ensure that operation and maintenance of the system were in accordance with API Recommended Practice 651, pursuant to § 195.573(d).

Respondent did not contest this allegation of violation, but did request that it be reduced to a Warning Item with no associated civil penalty. While KMLT admitted that it had failed to maintain records of inspections of the cathodic-protection systems for four breakout tanks for

2013, it argued that extenuating circumstances weighed in favor of reducing this Item to a Warning Item, with no penalty.<sup>2</sup> Specifically, Respondent identified steps it had taken since the inspection to improve its document-retention procedures and noted that PHMSA's own Violation Report indicated that pipeline safety was minimally affected by this alleged violation.

Respondent's request for a reduction of this Item to a Warning Item is based on corrective actions the company took after PHMSA discovered the violation. Corrective actions taken after a violation is discovered, while commendable, do not serve as a basis to reduce a finding of violation to a Warning Item. KMLT admitted the violation for this Item and reduction to a Warning Item is not warranted. As for Respondent's alternative argument that the proposed civil penalty be reduced because pipeline safety was minimally affected, this argument is more appropriately addressed below in the Assessment of Penalty section. Accordingly, based upon a review of all the evidence, I find that Respondent violated 49 C.F.R. § 195.589(c) by failing to maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by Subpart H of Part 195 in sufficient detail to demonstrate the adequacy of corrosion-control measures or that corrosion requiring control measures did not exist.

These findings of violations will be considered prior offenses in any subsequent enforcement action taken against Respondent.

### ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.<sup>3</sup> In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require. The Notice proposed a total civil penalty of \$217,400 for the violations cited above.

**Item 1:** The Notice proposed a civil penalty of \$60,100 for Respondent's violation of 49 C.F.R. § 195.428(a), for failing to inspect and test, at the required intervals, the relief devices located on

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<sup>2</sup> Response, at 4.

<sup>3</sup> These amounts are adjusted annually for inflation. *See, e.g.*, Pipeline Safety: Inflation Adjustment of Maximum Civil Penalties, 82 Fed. Reg. 19325 (Apr. 27, 2017).

surge tanks ST-3, ST-4, ST-5, ST-6, and 150-1 to determine that they were adequate from the standpoint of capacity. As noted above, I found that KMLT's records of capacity calculations for the referenced relief devices did not identify the tanks, were not dated, and did not include any information related to the capacity of the devices.

In its Response, KMLT requested that the proposed civil penalty be reduced because the violation was a "missing records violation," pipeline safety was minimally affected, the impacts of Hurricane Sandy had affected KMLT's ability to comply with the regulation, and KMLT had taken steps to ensure compliance going forward.<sup>4</sup> For the reasons detailed below, I am not persuaded that any reduction of the proposed penalty for Item 1 is warranted.

Regarding the *nature* criterion in the Violation Report, PHMSA noted in the Violation Report that the alleged violation related to a failure to perform a required activity. Respondent asserted that the alleged violation was merely a records violation, not a failure to perform a required activity, and the civil penalty should be reduced accordingly.<sup>5</sup> KMLT noted that the "records regarding engineering calculations of the PV [Pressure Vacuum] devices were lost and/or destroyed" due to the impacts of Hurricane Sandy.<sup>6</sup> However, KMLT failed to present any evidence that the company had conducted the inspection and tests required by the regulation. KMLT could have provided an affidavit or other credible evidence to support its claim that the calculations were performed but that the records had been lost or destroyed because of a natural disaster. KMLT failed to do so and the record before me contains nothing more than a mere unsupported statement that the required inspections and calculations were performed, and an admission that the records do not exist. The only records provided by KMLT showing that the required inspections and tests were performed on the relevant facilities are dated October 9, 2015, May 28, 2016, and May 30, 2017. All of these inspections and tests occurred *after* the date of the PHMSA inspection, August 31 through September 3, 2015, and are therefore immaterial to the civil penalty associated with this violation.

Regarding the *gravity* criterion, PHMSA noted in the Violation Report that the alleged violation compromised pipeline safety or integrity in a High Consequence Area (HCA). Respondent asserted, again without supporting evidence, that pipeline safety was minimally affected, and the civil penalty should therefore be reduced.<sup>7</sup> As noted above, KMLT failed to inspect and test relief devices located on five surge tanks in calendar years 2013 and 2014. As noted in the Violation Report, "the entire pipeline and terminal facility is located in an HCA."<sup>8</sup> A failure to inspect and test relief devices on surge tanks located in an HCA for a period of two years necessarily compromises the integrity of such facilities by increasing the likelihood of a release in an environmentally sensitive area. The absence of an actual incident during this period may be evidence of good fortune, but it is not evidence sufficient to preclude a finding that the

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<sup>4</sup> Response, at 2.

<sup>5</sup> *Id.* at 2-3.

<sup>6</sup> *Id.* at 3.

<sup>7</sup> *Id.*

<sup>8</sup> Violation Report, at 9.

integrity of a pipeline or pipeline facility was compromised by a failure to comply with a regulation. The evidence in the record supports PHMSA's assertion that pipeline safety or integrity was compromised in an HCA.

Regarding the *culpability and good faith* criteria, PHMSA noted in the Violation Report that KMLT had failed to comply with a requirement that was "clearly applicable," and that KMLT did not have a credible justification for its non-compliance. Respondent argued for a reduced civil penalty because it claimed to have improved its document-management system by implementing training and procedural revisions to its processes, as well as having created an electronic records-management system to ensure compliance going forward.<sup>9</sup> Further, KMLT asserted, without any evidence, that the impacts of Hurricane Sandy prevented it from complying with a clearly applicable regulation.<sup>10</sup> Corrective actions taken subsequent to the identification of a probable violation do not weigh in favor of a reduced penalty.<sup>11</sup>

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$60,100 for violation of 49 C.F.R. § 195.428(a).

**Item 2:** The Notice proposed a civil penalty of \$73,000 for Respondent's violation of 49 C.F.R. § 195.573(a)(1), for failing to conduct corrosion-control monitoring tests at least once per calendar year, but not exceeding 15 months. As noted above, I found that KMLT's records from January 1, 2012, through December 31, 2014, show that KMLT failed to take 25 structure pipe-to-soil readings from 2013 through 2014.

In its Response, KMLT requested that the proposed civil penalty be reduced because "at most this is a records violation," and KMLT's newly-implemented testing procedures exceeded PHMSA's regulations regarding the number of test stations required.<sup>12</sup> Specifically, KMLT asserted "that these readings [the identified 25 missing monitoring tests in 2013 and 2014] were taken...." However, as noted above, KMLT failed to provide any credible evidence to support the conclusory statement that the tests were performed.

Regarding *nature and gravity*, PHMSA noted in the Violation Report that the alleged violation related to a failure to perform a required activity, and that pipeline safety or integrity was compromised in an HCA. Respondent asserted that the missing readings identified in the Notice were taken, and this violation is, at most, a records violation with no impact on pipeline safety.<sup>13</sup> As discussed above for Item 1, I am not persuaded by Respondent's arguments because there is

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<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> See e.g., *In the Matter of Texas Eastern Transmission, LP, a subsidiary of Spectra Energy Corp. (Texas Eastern)*, Final Order, CPF No. 1-2015-1003, 2016 WL 1426021, at 4 (Feb. 26, 2016) ("Respondent's assertion of a general good-faith effort to continuously improve is based on corrective actions taken after PHMSA learned of the violation, and therefore does not warrant a reduction in the proposed penalty.").

<sup>12</sup> Response, at 4.

<sup>13</sup> *Id.* at 4-5.

no evidence in the record that KMLT actually performed the required readings, and the violation compromised pipeline safety or integrity in an HCA.

Regarding *culpability and good faith*, PHMSA noted in the Violation Report that KMLT failed to comply with a requirement that was clearly applicable and KMLT did not have a credible justification for its failure to comply. Although Respondent did not direct its arguments in support of a reduced penalty for this Item to these specific factors, Respondent's arguments relate to its culpability and good faith. Respondent argued for a reduced civil penalty because "the personnel previously responsible for cathodic protection ("CP") are no longer with KMLT, and the new CP lead is fully versed in the regulatory requirements for casing inspections, including documentation requirements."<sup>14</sup>

I am unaware that PHMSA has ever reduced a proposed civil penalty because a former employee or employees possibly involved in the violation have subsequently been replaced by competent personnel. On the contrary, pipeline operators are expected to use competent, qualified personnel to perform safety-related tasks at all times. Finally, KMLT contended that it had implemented new procedures that exceeded PHMSA's regulatory requirements regarding test stations.<sup>15</sup> As noted above, actions taken subsequent to an inspection, no matter how commendable or proactive, do not demonstrate compliance with the regulations at the time of the inspection, nor do they weigh in favor of a reduced penalty.<sup>16</sup>

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$73,000 for violation of 49 C.F.R. § 195.573(a)(1).

**Item 3:** The Notice proposed a civil penalty of \$56,800 for Respondent's violation of 49 C.F.R. § 195.575(c), for failing to inspect and electrically test each electrical isolation to assure the isolation is adequate. As noted above, I find that KMLT's records from January 1, 2012, through December 31, 2014, show that KMLT failed to take seven casing pipe-to-soil readings from 2013 through 2014.

In its Response, KMLT requested that this proposed penalty also be reduced because the violation is merely a missing records violation, pipeline safety was minimally affected, and KMLT had implemented a new "process to ensure compliance with inspection intervals and maintenance of associated documentation."<sup>17</sup> For the reasons detailed below, I find that KMLT's arguments in support of a reduced penalty for Item 3 are unpersuasive.

Regarding *nature and gravity*, PHMSA noted in the Violation Report that the alleged violation related to a failure to perform a required activity, and that pipeline safety or integrity was compromised in an HCA. Respondent acknowledged that inspections of the seven casings

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<sup>14</sup> *Id.*

<sup>15</sup> *Id.* at 5.

<sup>16</sup> *Texas Eastern*, *supra* note 11.

<sup>17</sup> Response, at 5.

identified in the Notice “exceeded the required interval of once per calendar year not to exceed 15-months,” but contended that this was still “a records violation only.”<sup>18</sup> KMLT’s admission directly contradicts its assertion that the violation is not properly identified as a failure to perform a required activity. Further, KMLT asserted that subsequent annual-inspection records demonstrate that pipeline safety was minimally affected.<sup>19</sup> However, as noted above, the records on which KMLT relies to assert that pipeline safety was minimally affected relate to inspections that took place *after* the date of the PHMSA inspection. Subsequent annual inspections do not serve to mitigate the threat to pipeline safety posed by an earlier failure to comply.<sup>20</sup>

Regarding *culpability and good faith*, PHMSA noted in the Violation Report that KMLT failed to comply with a requirement that was clearly applicable, and that KMLT did not have a credible justification for its compliance failure. Although Respondent did not direct its arguments in support of a reduced penalty for this Item to these specific factors, Respondent’s arguments relate to its culpability and good faith. Respondent argued for a reduced civil penalty for this Item for the same reasons noted above in Item 2 under these factors.<sup>21</sup> Having previously rejected KMLT’s arguments on this basis, I am not persuaded by KMLT’s arguments for a reduced penalty here.

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$56,800 for violation of 49 C.F.R. § 195.575(c).

**Item 4:** The Notice proposed a civil penalty of \$27,500 for Respondent’s violation of 49 C.F.R. § 195.589(c), for failing to maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by Subpart H of 49 C.F.R. Part 195 in sufficient detail to demonstrate the adequacy of corrosion-control measures or that corrosion requiring control measures did not exist. As noted above, I find that KMLT failed to maintain records of annual inspections of cathodic protection systems used to control corrosion on the bottom of aboveground breakout tanks 100-6, 100-7, 100-9, and 120 to ensure that operation and maintenance of the system were in accordance with API Recommended Practice 651, pursuant to § 195.573(d).

In its Response, KMLT requested that this Item be withdrawn and reduced to a Warning Item with no associated civil penalty.<sup>22</sup> As noted above, I previously rejected KMLT’s arguments and found Respondent in violation of the regulation.<sup>23</sup> KMLT admitted in its Response that it failed

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<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> See e.g., *In the Matter of Coffeyville Resources Crude Transportation, LLC, a subsidiary of CVR Refining, LP*, Final Order, CPF No. 3-2016-5006, 2017 WL 7049530, at 11 (Oct. 31, 2017) (rejecting Respondent’s argument that the gravity of the violation should be reduced to a characterization that pipeline safety was minimally affected because subsequent inspection reports did not identify any imminent threats to the integrity of the pipeline facility).

<sup>21</sup> *Id.* at 5-6.

<sup>22</sup> *Id.* at 6.

<sup>23</sup> *Supra* at 3-4.

to maintain records of inspections of the cathodic protection systems for four breakout tanks in 2013.<sup>24</sup> Whether pipeline safety is minimally affected is relevant to the *gravity* of the violation, which was discussed more fully in Item 1 above. I find that PHMSA properly identified the violation as minimally affecting pipeline safety, and calculated the proposed civil penalty for this Item properly.<sup>25</sup>

Regarding *culpability and good faith*, PHMSA noted in the Violation Report that KMLT failed to comply with a requirement that was clearly applicable and that KMLT did not have a credible justification for its noncompliance. Although Respondent did not direct its arguments in support of a reduced penalty for this Item to these specific factors, Respondent's arguments relate to its culpability and good faith. Respondent argued for a reduced civil penalty for this Item for the same reasons noted above in Items 2 and 3 under these factors.<sup>26</sup> Having previously rejected KMLT's arguments on this basis, I am not persuaded by KMLT's argument for a reduced penalty for this Item.

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$27,500 for violation of 49 C.F.R. § 195.589(c).

In summary, having reviewed the record and considered the assessment criteria for each of the Items cited above, I assess Respondent a total civil penalty of **\$217,400**.

Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 C.F.R. § 89.21(b)(3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMK-325), Federal Aviation Administration, Mike Monroney Aeronautical Center, 6500 S MacArthur Blvd, Oklahoma City, Oklahoma 79169. The Financial Operations Division telephone number is (405) 954-8845.

Failure to pay the \$217,400 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

### **COMPLIANCE ORDER**

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49

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<sup>24</sup> Response, at 6.

<sup>25</sup> Violation Report, at 30.

<sup>26</sup> *Id.* at 5 - 6.

C.F.R. § 195.428(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 195.428(a) (**Item 1**), Respondent must:
  - a. Provide an analysis (or perform one if none exists) of the capacity requirements of the relief devices on surge tanks ST-3, ST-4, ST-5, ST-6, and 150-1 within 120 days of receipt of the Final Order.
  - b. Remediate / adjust / replace devices that were determined to be inadequate by the related analysis within 240 days of receipt of the Final Order.
  - c. All documentation demonstrating compliance with items 1a and 1b above must be submitted to the Director, Eastern Region, Pipeline and Hazardous Safety Materials Administration, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628, for review within 270 days of receipt of the Final Order.

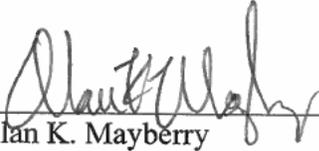
The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

It is requested that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. It is requested that these costs be reported in two categories: (1) total cost associated with preparation/revision of plans, procedures, studies and analyses; and (2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2<sup>nd</sup> Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address, no later than 20 days after receipt of service of this Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The filing of a petition automatically stays the payment of any civil penalty assessed. The other terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.



Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

MAR 08 2019

Date Issued