

October 5, 2020

U.S. Department of Transportation  
Pipeline and Hazardous Materials Safety Administration, Eastern Division  
820 Bear Tavern Road, Suite 103  
West Trenton, NJ 08628  
Attn: Robert Burrough, Director

**Re: Ergon Terminaling, Inc.  
Notice of Amendment  
CPF 1-2020-012-NOA**

Dear Mr. Burrough:

Please see our responses to the Notice of Amendment date September 17, 2020.

**PHMSA Comment #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.

Ergon's written procedures were inadequate. Specifically, Ergon's Operations and Maintenance Manual, Magnolia Pipeline, dated January 2015 (O&M), failed to include a process for notifying PHMSA of changes in accordance with § 195.64(c).

During the inspection, the PHMSA inspector requested Ergon's procedures addressing § 195.64(c)1. Ergon presented its O&M, which lacked a process for making notifications to PHMSA regarding certain events as described in the regulation. When the PHMSA inspector requested if there were additional procedures or guidance, Ergon stated there was no further guidance.

Therefore, Ergon failed to include a process in its procedures for reporting changes to PHMSA in accordance with § 195.64(c). Ergon must revise its procedures to include a process for making the required notifications.

**Ergon Comment #1:**

Ergon has updated Section 6.0 of the facility O&M Manual to reflect our process for reporting changes in accordance with § 195.64(c).

A copy of the updated Section 6.0 is provided in Attachment A of this letter.

**PHMSA Comment #2:**

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

b) ...

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(1) —

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

Ergon's procedures were inadequate. Specifically, Ergon's Integrity Management Plan, revision B, dated July 17, 2017 (IM Plan), failed to define what records must be maintained for the useful life of the pipeline in accordance with § 195.452(1)(1).

Section 195.452(1)(1) states:

(1) What records must an operator keep to demonstrate compliance?

(1) An operator must maintain, for the useful life of the pipeline, records that demonstrate compliance with the requirements of this subpart. At a minimum, an operator must maintain the following records for review during an inspection:

(i) A written integrity management program in accordance with paragraph (b) of this section.

(ii) Documents to support the decisions and analyses, including any modifications, justifications, deviations and determinations made, variances, and actions taken, to implement and evaluate each element of the integrity management program listed in paragraph (f) of this section.

During the inspection, the PHMSA inspector requested Ergon's procedures regarding record retention in accordance with the above requirement. Ergon presented its IM Plan, which lacked details addressing what records are required to be maintained for the useful life of the pipeline. When the PHMSA inspector requested if there were additional procedures or guidance related to these requirements, Ergon stated there was no further guidance.

Therefore, Ergon's procedures were inadequate regarding the requirements of § 195.452(1)(1). Ergon must revise its IM Plan to address this inadequacy.

**Ergon Response #2:**

Section 9.2 of the facility O&M Manual includes a list of records that must be maintained for the useful life of the facility pipeline.

Ergon has updated Section 13.4 of the Integrity Management Plan indicating the records retention list can be found in the O&M Section 9.2.

A copy Section 9.2 of the facility O&M Manual is included in Attachment B of this letter. A copy of the updated Section 13.4 of the IMP is included in Attachment C of this letter.

**PHMSA Comment #3:**

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

(a) • • •

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(1) ...

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

Ergon's procedures were inadequate. Specifically, Ergon's IM Plan failed to include a process for the evaluation of leak detection capabilities and modifying as necessary in accordance with § 195.452(i)(3).

Section 195.452(i)(3) states:

(i) What preventive and mitigative measures must an operator take to protect the high consequence area?

(3) Leak detection. An operator must have a means to detect leaks on its pipeline system. An operator must evaluate the capability of its leak detection means and modify, as necessary, to protect the high consequence area. An operator's evaluation must, at least, consider, the following factors—length and size of the pipeline, type of product carried, the pipeline's proximity to the high consequence area, the swiftness of leak detection, location of nearest response personnel, leak history, and risk assessment results.

During the inspection, the PHMSA inspector requested Ergon's procedures regarding a process for leak detection capability evaluation. Ergon presented its IM Plan, which failed to include procedures addressing how Ergon evaluates its leak detection capabilities. The IM Plan's only mention of leak detection capability evaluation was a reference to a Leak Detection System Capability Checklist in Appendix G. When the PHMSA inspector requested to review this documentation in Appendix G, it was not available. The PHMSA inspector received Appendix G one week after the inspection; however, the Leak Detection System Capability Checklist was not included.

Therefore, Ergon's procedures were inadequate regarding preventative and mitigative measures related to leak detection and the requirements of § 195.452(i)(3). Ergon must revise its IM Plan to address this inadequacy.

**Ergon Response #3:**

Ergon has updated Section 6.3.1 (see Attachment D of this letter) to identify the tools and methods used to detect potential leaks associated with the facility pipeline.

Additionally, Ergon has added Appendix H to the IM Plan. Appendix H provides detail regarding how Ergon documents the use of these leak detection tools and methods.

A copy of Appendix H can be found in Attachment E of this letter.

Please let me know if you have any questions or require additional information.

Sincerely,

Ergon Terminating, Inc.



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