

## NOTICE OF AMENDMENT

### OVERNIGHT EXPRESS DELIVERY

July 23, 2020

Robert G. Phillips  
Chairman, President and Chief Executive Officer  
Crestwood Equity Partners LP  
Executive Office  
2440 Pershing Rd., Suite 600  
Kansas City, MO 64108

**CPF 1-2020-1027M**

Dear Mr. Phillips:

From January 16, 2019 to September 5, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected records and procedures of Crestwood Midstream Partners LP (Crestwood) at its offices in Houston, Texas, and Wyalusing, Pennsylvania.

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

1. **§ 192.605 Procedural manual for operations, maintenance, and emergencies.**
  - (a) ...
  - (b) **Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**
    - (1) ...
    - (2) **Controlling corrosion in accordance with the operations and maintenance requirements of subpart I of this part.**

Crestwood's manual of written procedures was inadequate because it failed to include procedures for controlling corrosion in accordance with the operations and maintenance requirements of Part 192 Subpart I. Specifically, Crestwood's *Operating & Maintenance Manual, 2019 Stagecoach & Storage Company, LLC New York & Pennsylvania, Revision 6, Revision Date: 11-29-2018 (O&M*

Manual) failed to provide details on the amount of cathodic protection that must be controlled so it will not damage the protective coating or the pipe in accordance with § 192.463(c)<sup>[1]</sup>.

Crestwood's O&M Manual, Subsection 2.15.1.5 Cathodic Protection [§192.463] stated in part: "The amount of cathodic protection shall be controlled so as not to damage the protective coating or the pipe." Crestwood's O&M Manual had no guidance on how to determine the amount of cathodic protection to prevent coating or pipe damage, nor did it refer to other applicable procedures for guidance.

Therefore, Crestwood's O&M Manual was inadequate because it did not include details on the amount of cathodic protection that must be controlled so it will not damage the protective coating or the pipe in accordance with § 192.463(c), as prescribed in § 192.605(b)(2). Crestwood must amend its O&M Manual to provide details on how Crestwood would determine the amount of cathodic protection used to prevent coating or pipe damage.

**2. § 192.605 Procedural manual for operations, maintenance, and emergencies.**

**(a) ...**

**(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**

**(1) ...**

**(2) Controlling corrosion in accordance with the operations and maintenance requirements of subpart I of this part.**

Crestwood's manual of written procedures was inadequate because it failed to include procedures for controlling corrosion in accordance with the operations and maintenance requirements of Part 192 Subpart I. Specifically, Crestwood's *Operating & Maintenance Manual, 2019 Stagecoach & Storage Company, LLC New York & Pennsylvania, Revision 6, Revision Date: 11-29-2018* (O&M Manual) failed to provide details on external corrosion control monitoring in accordance with § 192.465(e)<sup>[2]</sup> because it neither defined "active corrosion" nor provided additional guidance on how to determine "active corrosion."

Crestwood's O&M Manual, Subsection 2.15.1.6 External Corrosion Monitoring [§192.465] stated in part: "Bare or ineffectively coated pipelines that are not cathodically protected will be

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<sup>[1]</sup> §192.463 External corrosion control: Cathodic protection. (c) The amount of cathodic protection must be controlled so as not to damage the protective coating or the pipe.

<sup>[2]</sup> §192.463 External corrosion control: Monitoring.

(e) After the initial evaluation required by §§ 192.455(b) and (c) and 192.457(b), each operator must, not less than every 3 years at intervals not exceeding 39 months, reevaluate its unprotected pipelines and cathodically protect them in accordance with this subpart in areas in which active corrosion is found. The operator must determine the areas of active corrosion by electrical survey. However, on distribution lines and where an electrical survey is impractical on transmission lines, areas of active corrosion may be determined by other means that include review and analysis of leak repair and inspection records, corrosion monitoring records, exposed pipe inspection records, and the pipeline environment.

reevaluated once per three-year interval, not to exceed 39 months and where active corrosion is detected the pipelines will be cathodically protected.”

Crestwood’s O&M Manual did not describe how it determines “active corrosion” has been found in an area. There was no information about an evaluation or a rationale to conclude “active corrosion.”

Therefore, Crestwood’s O&M Manual was inadequate because it did not include details on external corrosion control monitoring in accordance with § 192.465(e), as prescribed in § 192.605(b)(2). Crestwood must amend its O&M Manual to include a definition for “active corrosion” which must be consistent with regulatory definition under 192.3 and give additional guidance on how to determine “active corrosion”.

**3. § 192.605 Procedural manual for operations, maintenance, and emergencies.**

(a) ...

**(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**

(1) ...

**(4) Gathering of data needed for reporting incidents under Part 191 of this chapter in a timely and effective manner.**

Crestwood’s manual of written procedures was inadequate because it failed to include procedures for gathering of data needed for reporting incidents under 49 CFR Part 191 in a timely and effective manner. Specifically, Crestwood’s *Operating & Maintenance Manual, Stagecoach & Storage Company, LLC New York & Pennsylvania, Revision Number: 6, Revision Date: 05/09/2018* (O&M Manual) failed to define “confirmed discovery” and give additional information to determine when an incident has been discovered, in accordance with §191.5(a)<sup>[3]</sup>.

Crestwood refers to “confirmed discovery” in its O&M Manual, Subsection 5.4.2.1 Regulatory Notification, but there were no additional instructions for personnel to determine when an incident has been discovered so that a notice will be submitted in a timely and effective manner.

Therefore, Crestwood’s O&M Manual was inadequate because it did not include detailed instructions for gathering of data needed for reporting incidents under Part 191 of this chapter in a timely and effective manner, as prescribed in § 192.605(b)(4). Crestwood must amend its O&M Manual to include detailed instructions for gathering of data needed for reporting incidents under Part 191 of this chapter in a timely and effective manner and be consistent with the regulatory definition under § 191.3.

**4. § 192.605 Procedural manual for operations, maintenance, and emergencies.**

(a) ...

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<sup>[3]</sup> §191.5 Immediate notice of certain incidents.

(a) At the earliest practicable moment following discovery, but no later than one hour after confirmed discovery, each operator must give notice in accordance with paragraph (b) of this section of each incident as defined in §191.3.

**(c) *Abnormal operation.* For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:**

- (1) Responding to, investigating, and correcting the cause of:**
  - (i) Unintended closure of valves or shutdowns;**
  - (ii) Increase or decrease in pressure or flow rate outside normal operating limits;**
  - (iii) Loss of communications;**
  - (iv) Operation of any safety device; and**
  - (v) Any other foreseeable malfunction of a component, deviation from normal operation, or personnel error, which may result in a hazard to persons or property.**

Crestwood did not include adequate procedures for handling abnormal operations in its manual. Specifically, Crestwood's *Operating & Maintenance Manual, 2019 Stagecoach & Storage Company, LLC, New York & Pennsylvania, Revision Number 6, Revision Date: 11-29-2018* (O&M Manual) did not include information about field operator(s) (an operator in the field) providing safety during an abnormal operation event when a controller (an operator in the control room) is or is not involved.

Crestwood has a control room which controls and monitors its pipeline facility through a Supervisory Control and Data Acquisition system. However, Crestwood's O&M Manual *Section 3 Abnormal Operation* did not designate whether a field operator or controller would respond, investigate, and correct an abnormal operation when it has been detected.

Therefore, Crestwood's O&M Manual did not include adequate procedures for handling abnormal operations, as prescribed under § 192.605(c)(1)(i-v). Crestwood must amend its O&M Manual to describe the individuals (i.e. controller and field operator) and their involvement in all aspects of handling abnormal operations.

**5. § 192.605 Procedural manual for operations, maintenance, and emergencies.**

**(a) ...**

**(c) *Abnormal operation.* For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:**

**(1) ...**

**(4) Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.**

Crestwood's manual of written procedures was inadequate because it failed to include procedures for periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found. Specifically, Crestwood's *Operating & Maintenance Manual, 2019 Stagecoach & Storage*

*Company, LLC, New York & Pennsylvania, Rev 6, Rev date 11-29-2018* (O&M Manual) did not give additional guidance on how often it will review the response of its personnel to determine the effectiveness of the processes controlling abnormal operation and taking corrective action where deficiencies are found.

Crestwood's O&M Manual, Subsection 3.13 Personnel Review stated in part:

“The response of operating personnel responding to abnormal conditions will be evaluated periodically to determine the effectiveness of the procedures for abnormal operations. Generally, the evaluation will be conducted annually but may be conducted more or less frequently as appropriate, and documented on Form OPS.34. If deficiencies are found, corrective action, such as modification to procedures or additional training will be taken.”

The O&M Manual did not contain any information on how to determine the frequency at which an individual should conduct a review. In addition, Crestwood's O&M Manual, Subsection 3.13 Personnel Review or form OPS 34 Abnormal Operation: Procedure Review did not describe the individual who will be responsible for reviewing abnormal operating responses, or the time frame to complete them, and criteria for taking corrective action if deficiencies are found. Furthermore, Crestwood did not require its personnel to record the time it took them to correct the abnormal operation procedures. As a result, Crestwood does not know how long it takes to amend procedures when deficiencies are found.

Therefore, Crestwood's O&M Manual was inadequate because it did not include procedures for periodically reviewing the response of its personnel to determine the effectiveness of the processes controlling abnormal operation and taking corrective action where deficiencies are found, as prescribed in §192.605(c)(4). Crestwood must amend its O&M Manual to include more details on the periodic review of personnel's response to determine the effectiveness of the processes controlling abnormal operation, and taking corrective action where deficiencies are found.

#### 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 Enforcement 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 Crestwood Midstream Partners, LP maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. Please refer to **CPF 1-2020-1027M** 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 USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

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

CC: Eric Ormond, Vice President, Engineering & Project Management, Crestwood Midstream Partners LP (via email)

Enclosure: *Response Options for Pipeline Operators in Enforcement Proceedings*