



Collins Pipeline Company  
1 Sylvan Way, Second Floor  
Parsippany, NJ 07054  
973-455-7500

April 8, 2022

Robert Burrough  
Director, Eastern Region  
U.S. Department of Transportation  
Pipeline and Hazardous Materials Safety Administration  
840 Bear Tavern Road, Suite 300  
West Trenton, NJ 08628

**RE: Notice of Amendment – CPF 1-2022-001-NOA**

Dear Mr. Burrough,

On February 8, 2022 Collins Pipeline Company received a Notice of Amendment (NOA) CPF 1-2022-001-NOA from an audit performed from October 29, 2020 to June 10, 2021. As a result of the inspection, PHMSA identified apparent inadequacies within Collins Pipeline's DOT Compliance Manual and Integrity Management Plan. Collins Pipeline Company believes that the items identified in the NOA were either previously addressed or compliant with the regulation and is accordingly contesting the NOA on the bases discussed below.

At the conclusion of the inspection PHMSA identified three inadequacies. Below are PHMSA's findings and Collins Pipeline Company's response to each:

**Items 1**

***Collins Pipeline's written procedures for conducting maintenance and normal operations were inadequate. Specifically, Collins Pipeline's written procedures failed to identify and define ratings that will be utilized on the PL-0595 Annual Physical Tank Inspection form (Form PL-0595) or similar form when performing inspections of in-service breakout tanks.***

***During the inspection, PHMSA reviewed Collins Pipeline's Form PL-0595, and its DOT Liquids Manual, Gulf Coast, Effective December 31, 2020 (DOT Compliance Manual). Form PL-0595 included multiple fields requiring the tank inspector to check and document conditions for various aspects of the tank. Ratings that were required to be entered on the form for these fields were neither identified nor defined in the written procedures or on the form itself.***

***Therefore, Collins failed to prepare adequate procedures regarding documenting inspections as required by §195.402(c)(3). Collins Pipeline must revise its DOT Liquids Manual to identify and define ratings that will be utilized on its form for documenting these inspections.***

**Collins Pipeline Response:**



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Because of the complexity of an above ground tank, the specific rating/condition for each aspect of our tank inspection program are documented on the second page of Form PL-0595. This section of the form provides the inspector the ability to provide detailed remarks and corrective actions required to keep the tanks up to API 653 standards. While Collins Pipeline Company believes that this section provides adequate details of the condition of the tank, the form has been revised with the instructions for Form PL-0595 to quantify the conditional terms used to assess the condition of the tank.

- NA (non-applicable)
- Acceptable – No action required. Good working condition.
- Unacceptable – No in good working condition. Management notification required for assessment and recommended action. Note: Complete additional details on the following page.

## **Item 2**

***Collins Pipeline’s written procedures for maintenance and normal operations were inadequate. Specifically, Collins Pipeline’s corrosion control procedures failed to contain adequate details relative to taking corrective action under §195.573(e).***

***During the inspection, PHMSA reviewed Collins Pipeline’s DOT Compliance Manual – December 2019 – Delaware, revised May 2020 (the Manual). Section 1.6.1 of the Manual stated, “Deficiencies identified during cathodic protection surveys will be corrected as soon as practical, but unless due to unusual condition and documented in writing, prior to the following cathodic protection survey.” Collins Pipeline did not provide a definition of the term “unusual conditions”. By not defining the term “unusual conditions” as it pertains to correcting deficiencies identified during cathodic protection survey, the requirement to correct deficiencies prior to the following cathodic protection survey could be bypassed without adequate justification, and the procedural requirements negated.***

***Therefore, Collins Failed to prepare adequate procedures pertaining to §195.573, as required by §195.402(c)(3). Collins Pipeline must revise the Manual to clarify its requirements for “unusual conditions” exceptions to correcting deficiencies identified during cathodic protection surveys as soon as practical, and prior to the following cathodic protection survey.***

## **Collins Pipeline Response:**

The intent of Collins Pipeline Company’s DOT Compliance Manual procedure CV-005(A) pertaining to 195.573 was to provide allowance and documentation for conditions that would prevent a deficiency from getting addressed prior to the next cathodic protection survey. The words “unusual conditions” addressed unforeseen situations or conditions beyond the company’s control such as weather, permits, access agreement, etc. that would prevent the deficiency from getting addressed before the next survey was performed. However, in procedure CV-005(A) of the External Corrosion Control Program, Section 1 – External Corrosion Control, Sub-section 1.6 – Cathodic Protection Surveys has been revised to define “unusual conditions”. It now reads, “Deficiencies identified during cathodic protection surveys will be corrected as soon as practicable but no later than the next annual cathodic protection survey unless



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delayed due to unusual circumstances beyond the company's control such as weather, permitting or third-party access, which must be documented in writing and monitored through the company's Local Risk Management Team (LRMT) meetings."

### **Item 3**

***Collins Pipeline's written integrity management procedures were inadequate. Specifically, Collins Pipeline's integrity management procedures failed to define ratings that were utilized on the 2018 Risk Model (Threats) spreadsheet (Risk Model) required to analyze and integrate available information about the integrity of the entire pipeline and the consequences of a failure pursuant to §195.452(g).***

***During the inspection, PHMSA reviewed Collins Pipeline's Risk Model and its Pipeline Integrity Management Plan, Hazardous Liquids Pipelines, dated June 30, 2020 (IM Plan). These documents did not define the ratings utilized in the spreadsheet. By not defining the ratings that were entered into the Risk Model, Collins Pipeline's IM Plan failed to provide the necessary basis to effectively analyze and integrate its available information about the integrity of the entire pipeline and the consequences of a failure.***

***Therefore, Collins Pipeline failed to include adequate written integrity management procedures regarding performing an information analysis pursuant to §195.452(g), as required by §195.452(f)(3).***

### **Collins Pipeline Response**

Following a thorough review of approximately 900 individual inputs to the risk model, there are fewer than 20 potentially subjective inputs. Said differently, the model contains approximately 98% clearly defined, non-subjective inputs. Although these 20 inputs could be viewed as subjective, Collins Pipeline Company disagrees that they were inadequately defined. When examining these potentially subjective inputs and their associated 5-point rating system, Collins Pipeline Company believes these inputs allows for the user to interpolate between values. For example, when evaluating the distance between pipeline markers, the input "sporadically" may be difficult to define when taken out of context, however, when viewed in a 5-point seriatim amongst the other inputs, it allows the user to interpolate between "Marked but not visible from every point" and "no pipeline markers." Regarding the remaining 19 of 20 inputs, Collins Pipeline Company reviewed these inputs and determined that they are either similarly positioned seriatim of clearly defined inputs like the above example, or clarifying guidance exists in adjacent columns of the input spreadsheet. Furthermore, because of the nature of the relative risk model, the difference between adjacent inputs would make less than a 1% difference in the outcome of the overall model score for an individual threat.

However, Collins Pipeline Company also recognizes that a quantitative risk model affords the opportunity to more precisely evaluate pipeline risk compared to a relative risk model; therefore, at the conclusion of the inspection, Collins Pipeline Company discussed with PHMSA representatives that the



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company was in the process of upgrading to a PODS Database, performing a Threat, Vulnerability & Consequence (TVC) analysis on the Collins Pipeline Company data and upgrading to a quantitative risk model. The PODS database upgrade and TVC Analysis have been completed. The company is now in the final stages implementing the new model, has updated the Integrity Management Plan document to reflect the utilization of this new model, and Collins Pipeline is due for updated risk model results and associated P&M Measures Analysis in 2022. The new risk model utilizes pipeline data directly from the database, produces outputs in terms of quantitative probability and consequence, and therefore does not utilize the rating system that the old relative risk model utilized (as discussed above). Therefore, the subjective inputs, such as “sporadically” have been eliminated from the Collins Pipeline Risk Model and replaced with a quantitative system making this matter closed.

While Collins Pipeline Company believes that the three alleged items identified in the NOA were adequate and provided clear processes for the safe operation of the Collins Pipeline assets, revisions have been made to the “External Corrosion Control Program and Procedures” CV-005(A), the revised Form PL-0595 with the additional instructions (both attached) as well as revised the Integrity Management Plan with a quantitative risk program (available upon request) as described above. If these changes meet with PHMSA’s approval, Collins Pipeline Company requests closure of this enforcement action and the inspection performed from October 2019 to June 2020. Should you have any questions concerning this response, please don’t hesitate to call or email me.

Sincerely,

Thomas J. McLane

*Thomas J. McLane*

Director, PBF Logistics Regulatory Compliance

CC:

Neal Sahni  
Jim Sanders  
Alan Horton

Attachment: CV-005(A), PL-0595