

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

August 18, 2022

Mr. Kurt Barclay
President and Chief Executive Officer
Wolverine Pipe Line Company
8075 Creekside Drive, Suite 210
Portage, Michigan 49024

CPF 1-2022-058-WL

Dear Mr. Barclay,

From November 16, 2020, to November 20, 2020, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Wolverine Pipe Line Company's (Wolverine) Control Room in Portage, Michigan that controls and monitors Wolverine Pipe Line facilities in Michigan.

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. **§ 195.446 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 system. Each operator must have and follow written control room management procedures that implement the requirements of this section...**

Wolverine failed to follow its WPLCO OCC Control Room Management Plan, Section 8.27 Alarm Management Review which required a review its alarm management plan at least once each

calendar year, at intervals not to exceed 15 months for the 2018 calendar year, in accordance with § 195.446(e)(4)¹.

During the inspection, PHMSA requested records of the annual reviews of Wolverine's alarm management plan for 2018, 2019 and 2020. Wolverine presented records demonstrating that its plan was reviewed to determine its effectiveness in 2017, 2019 and 2020. The records of the 2018 review failed to demonstrate that an effectiveness review was conducted.

Therefore, Wolverine failed to follow its WPLCO OCC Control Room Management Plan, Section 8.27 Alarm Management Review which required that it perform an annual review of its alarm management plan in 2018, as required by § 195.446(e)(4).

2. § 195.446 Control room management.

(a) ...

(c) Provide adequate information. Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:

(1) ...

(3) Test and verify an internal communication plan to provide adequate means for manual operation of the pipeline safely, at least once each calendar year, but at intervals not to exceed 15 months.

Wolverine failed to test and verify an internal communication plan for providing adequate means for manual operation of its pipeline safely, at least once each calendar year, but at intervals not to exceed 15 months.

During the inspection, Wolverine was asked to submit records demonstrating that they had tested and verified its internal communication plan for manual operation of the pipeline in 2018, 2019 and 2020. Records provided by the operator showed that it only created a plan in 2020, after an actual loss of SCADA and Corporate network on 1/20/2020. The SCADA loss led to investigation report # 252877 which recommended an annual testing plan.

Therefore, Wolverine failed to create, test, and verify an internal communication plan for manual operation of its pipeline safely for 2018 and 2019.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,142 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after

¹ 195.446 Control room management.

(e) *Alarm management.* Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:

(4) Review the alarm management plan required by this paragraph at least once each calendar year, but at intervals not exceeding 15 months, to determine the effectiveness of the plan;

January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015, and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

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 Wolverine Pipe Line Company being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 1-2022-058-WL**. 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
Director, Eastern Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration