



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste. 600
Atlanta, GA 30303

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 31, 2008

Patrick Hodgins
Director Health, Safety, Security and Environment
Genesis Pipeline USA, L.P.
17411 Village Green Drive
Houston, Texas 77040

CPF 2-2008-5009W

Dear Mr. Hodgins:

On June 23 through June 27, 2008, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your records and pipeline facilities in Jay, Florida.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

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 commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

Genesis states in the Liquid & CO₂ Operations, Maintenance and Emergency Procedures Manual, Section 2.26 titled *Training*, employees will be tested on normal operations and maintenance, recognizing and reacting appropriately to Abnormal Operating Condition (AOC)

and recognizing and reacting appropriately to emergencies. During the inspection, Genesis failed to provide documentation confirming calendar year 2007 personnel testing.

Genesis produced a sign-in sheet and personnel tests for calendar-year (CY) 2006; CY 2007 sign-in sheet was on record, however the tests were not. On July 24, 2008, Southern Region received copies of CY 2008 sign-in sheet and tests.

2. §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 commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

Genesis states in the Liquid & CO₂ Operations, Maintenance and Emergency Procedures Manual, Section 2.11 titled *Breakout Tank Inspection* in two (2) separate headings, breakout tank inspections will be performed annually and monthly. Genesis provided annual tank inspection records for calendar-years 2006 and 2007 and monthly tank inspection beginning January 2008 through June, 2008. No monthly tank inspections had been performed and documented prior to January 2008, therefore no inspection records were available for review.


Additionally, Genesis should reference API 653 Section 4, which specifies the monthly inspection requirement, under the "When to Inspect" heading located in Section 2.11 titled *Breakout Tank Inspection*. Presently, API 653 Section 4 is referenced under the heading "Physical Integrity Inspection."

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. 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 item(s) identified in this letter. Failure to do so will result in Genesis 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 2-2008-5009W**. 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,

A handwritten signature in black ink that reads "Linda Daugherty". The signature is written in a cursive, flowing style with a large initial "L".

Linda Daugherty
Director, Southern Region
Pipeline and Hazardous Materials Safety Administration