

AUGUST 27, 2014

Mr. David Vattimo
President & CEO
Epic Midstream, LLC
2100 West Loop South, Suite 900
Houston, TX 77027

Re: CPF No. 2-2014-6003

Dear Mr. Vattimo:

Enclosed please find the Final Order issued in the above-referenced case. It makes one finding of violation and specifies actions that need to be taken by Epic Midstream, LLC, to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Southern Region, this enforcement action will be closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Wayne T. Lemoi, Region Director, Southern Region, OPS

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

)	
In the Matter of)	
)	
Epic Midstream, LLC,)	CPF No. 2-2014-6003
)	
Respondent.)	
)	

FINAL ORDER

On May 31, 2013, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Epic Midstream, LLC (Epic or Respondent), in Macon, Georgia. Epic operates four oil and gas bulk storage facilities and related pipelines, with 65 tanks and over 1.5 million barrels of active storage based in Georgia and Alabama.¹

As a result of the inspection, the Director, Southern Region, OPS (Director), issued to Respondent, by letter dated March 10, 2014, a Notice of Probable Violation and Proposed Compliance Order (Notice), which also included a warning pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Epic had violated 49 C.F.R. § 195.452 and ordering Respondent to take certain measures to correct the alleged violation. The warning items required no further action but warned the operator to correct the probable violations or face possible enforcement action.

Epic responded to the Notice by e-mail dated April 14, 2014 (Response). The company did not contest the allegation of violation but explained that it was taking steps to comply with the proposed compliance order. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

In its Response, Epic did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.452(j), which states, in relevant part:

¹ See <http://www.epic-midstream.com/#/assets.php>. (Current as of June 10, 2014).

§ 195.452 Pipeline integrity management in high consequence areas.

(a) ...

(j) *What is a continual process of evaluation and assessment to maintain a pipeline's integrity?*- (1) *General.* After completing the baseline integrity assessment, an operator must continue to assess the line pipe at specified intervals and periodically evaluate the integrity of each pipeline segment that could affect a high consequence area. . . .²

(3) *Assessment intervals.* An operator must establish five-year intervals, not to exceed 68 months, for continually assessing the line pipe's integrity. An operator must base the assessment intervals on the risk the line pipe poses to the high consequence area to determine the priority for assessing the pipeline segments. . . .

The Notice alleged that Respondent violated 49 C.F.R. § 195.452(j) by failing to continue assessing its line pipe at specified intervals and periodically evaluating the integrity of each pipe segment that could affect a high consequence area. Specifically, the Notice alleged that Epic completed a proper Integrity Management baseline assessment of its pipeline serving the Robins Air Force Base (Robins Pipeline) through hydrostatic pressure testing in 2007, but subsequently failed to properly reassess the line at periodic intervals, as required by the regulation. According to the Notice, Epic attempted to use a different procedure for its periodic reassessment (i.e., External Corrosion Direct Assessment (ECDA)), but failed to use that method correctly along the entire pipeline within the required reassessment interval.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.452(j) by failing to continue assessing the Robins Pipeline at specified intervals and periodically evaluating the integrity of each pipe segment that could affect a high consequence area.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for violations of 49 C.F.R. §§ 195.452. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 195.452(j) (**Item 1**), Respondent must:

² “High Consequence Area” is defined as a commercially navigable waterway, a high population area, other populated areas or an unusually sensitive area. *See* 49 C.F.R. § 195.450.

- a. Assess the line pipe in accordance with 49 C.F.R. § 195.452(j)(5) within 120 days of receipt of this Final Order;
- b. At least 30 days prior to assessing the line pipe, notify the OPS Southern Region of the planned dates for performing the assessment, the assessment methods to be used, and the procedures for performing the assessment;
- c. Notify the OPS Southern Region when the assessment has been completed; and
- d. Within 30 days of completion of the assessment, Epic must make available for OPS inspection all records and documentation showing the completion of the assessment.

2. It is requested (not mandated) that Epic maintain the documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Wayne T. Lemoi, Director, Southern Region – Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses; and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in administrative assessment of civil penalties not to exceed \$200,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

WARNING ITEMS

With respect to Items 2 and 3, the Notice alleged probable violations of 49 C.F.R. §§ 195.452 and 195.588, but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 195.452(l)(1) (**Item 2**) — Respondent's alleged failure to properly document the analyses and actions it took to implement and evaluate each element of its integrity management program before selecting ECDA as its reassessment method for the Robins Pipeline; and

49 C.F.R. § 195.588(b)(1) (**Item 3**) — Respondent's alleged failure to develop and implement a comprehensive plan (including procedures, examination protocols, etc.) for using ECDA as its reassessment method.

Epic presented information in its Response showing that it had taken certain actions to address the cited items. If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order [CPF No. 2-2014-6003] are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued