

**NOTICE OF PROBABLE VIOLATION  
and  
PROPOSED CIVIL PENALTY**

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

June 21, 2018

Mr. Troy Valenzuela  
Vice President, Environmental & Health Safety  
Plains Pipeline, L.P.  
333 Clay Street, Suite 1600  
Houston, TX 77002

**CPF 2-2018-5002**

Dear Mr. Valenzuela,

On May 15, 2018, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) reviewed Plains Pipeline, L.P. (Plains) Operator Registry Notification F-20180514-20608, dated May 14, 2018.

As a result of PHMSA's review, it is alleged that Plains has committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and probable violation is:

**1. §195.64 National Registry of Pipeline and LNG Operators.**

**(a) ...**

**(c) Changes. Each operator must notify PHMSA electronically through the National Registry of Pipeline and LNG Operators at <http://opsweb.phmsa.dot.gov>, of certain events.**

**(1) An operator must notify PHMSA of any of the following events not later than 60 days before the event occurs:**

**(i) ...**

**(iii) Reversal of product flow direction when the reversal is expected to last more than 30 days. This notification is not required for pipeline systems already designed for bi-directional flow; or...**

Plains failed to comply with the regulation because it did not notify PHMSA of a flow reversal project for which the flow reversal is expected to last more than 30 days not later than 60 days before the event occurred, as required by § 195.64(c)(1)(iii).

On May 14, 2018, a PHMSA inspector reviewed Plains' notification, dated May 14, 2018. Plains submitted the "Type F" (Construction or Rehabilitation of Gas or Liquid Facilities) notification electronically through the online National Registry of Pipeline and LNG Operators website. Per the notification, the anticipated start date of the field work activities was noted as May 1, 2018, or 13 days before the date of submittal of the notification. Plains' description of the project in Step 3, Box 4 of the Form provides the following information:

"Plains has a project which will reverse the 10-inch Liberty to Lumberton pipeline in Mississippi, and will change the 14-inch Lumberton to Ten Mile pipeline, which runs from Alabama to Mississippi, to bi-directional operation."

Follow-up correspondence with Plains personnel confirmed that the pipeline was not originally designed for bi-directional flow, and that the flow reversal would be in place for "at least 2 years."

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists, up to a maximum of \$2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation and has recommended that you be preliminarily assessed a civil penalty of \$36,200.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. All material submit in response to this enforcement action may be 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, or request a hearing under 49 CFR § 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 a Final Order. If you are responding to this

Notice, we propose that you submit your correspondence to my office within 30 days from the receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 2-2018-5002** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

James A. Urisko  
Director, Office of Pipeline Safety  
PHMSA Southern Region

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