

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 11, 2019

Rodney Reese
Vice President, Operations and Terminals
Valero Partners Operating Co.
One Valero Way
San Antonio, TX 78249

CPF 2-2019-5006M

Dear Mr. Reese:

On August 12 to August 15, 2019, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Valero Partners Operating Co. (Valero) procedures, records, and facilities in Arkansas, Tennessee, and Mississippi.

On the basis of the inspection, PHMSA has identified the apparent inadequacy found within Valero's plans or procedures, as described below:

- 1. §195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a) ...**
 - (c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**
 - (1) ...**
 - (3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

Valero failed to meet the regulation because its procedures did not contain adequate instruction on how to operate, maintain, and repair components of its pipeline system. Specifically, Valero procedures did not include how long the overflow protective device must be activated to receive the overflow protective device alarm in the operations control room.

Valero Procedure 30, titled “*OQ covered task, Test Overflow Protective Devices*,” prescribes how to test the overflow protective devices on breakout tanks. Task 2.0 of the above referenced procedure states: “Manually trip the over fill protective device alarm.” Task 2.1 states: “Activate the high level alarm.”

PHMSA inspectors observed Valero personnel perform an overflow protective device test at the Valero West Memphis Terminal. This test did not activate the overflow protective device alarm in the operations control center as described in the procedure. A Valero employee who was not currently qualified to perform this test informed the personnel performing the test that “the high level alarm had to be tripped for at least 30 seconds for the control center to see the alarm.” A second test was performed utilizing these instructions and Valero personnel were able to verify the alarm was received in the operations control room. Valero’s Procedure 30 does not contain any instruction on this practice.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Valero maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to the Director, Southern Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to

CPF 2-2019-5006M and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

James A. Urisko
Director, Southern Region
Pipeline and Hazardous Materials Safety Administration

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