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December 15, 2016

Mr. Allan Beshore
Director, Central Region
Pipeline and Hazardous Materials Safety Administration
United States Department of Transportation
901 Locust Street, Suite 462
Kansas City, MO 64106-2641

RE: CPF 3-2106-5007M

Dear Mr. Beshore:

Coffeyville Resources Crude Transportation, LLC (CRCT) provided initial response to the above listed Notice of Amendment on October 20, 2016, correcting 26 of 40 findings, and established a schedule for correcting the remaining 14 findings. The purpose of this correspondence is to provide the amended procedures to address the remaining 14 findings. An electronic copy of the amended procedures is enclosed.

If you have questions about this response, please feel free to contact our Environmental Project Manager in Kansas City, Sam McCormick, at 913-982-0457, or our Pipeline Safety Specialist in Bartlesville, Sheila Leach, at 918-330-5025.

Sincerely,

Reed Copeland
Vice President Crude Oil Logistics
Coffeyville Resources Crude Transportation, LLC

Cc: Hans Shieh, General Engineer
Robert Haugen
Janice DeVelasco
Sam McCormick
John Walter

via email: hans.shieh@dot.gov

Finding #1

§195.52 Immediate notice of certain accidents.

(c) Calculation. A pipeline operator must have a written procedure to calculate and provide a reasonable initial estimate of the amount of released product.

CRCT's Operation and Maintenance manual (O&M) did not have a procedure to calculate and provide a reasonable initial estimate of product released in accordance to 195.52(c). CRCT personnel indicated that they could draft a procedure for initial volume based on the size of the spill, the soil contaminated, and the depth of the line.

The Emergency Response Plan, Section 8-Oil Spill, has been revised to include reference to site specific procedure 9.01-ADM-001 Release Reporting. CRCT has revised the site specific procedure 9.01-ADM-001 to include instructions for calculating and providing a reasonable initial estimate for a pipeline release. (Enclosed)

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

CRCT's procedure for reviewing the O&M and Emergency plans annually is deficient because there is no mention of the annual review of the emergency plan in Section 19. CRCT personnel indicated that they were going to use the facility response plan (FRP) for the emergency response procedures. If that is the case, the emergency response section in the O&M must reference the FRP and the FRP must be revised to reflect the requirement of Part 195 — Emergency Response.

The Emergency Response Plan, Section 1-Introduction, has been revised to include the requirement for an annual review. The revised Emergency Response Plan now meets the requirements of Part 195 – Emergency Response. All necessary references to the FRP or other site specific procedures have been included. (Enclosed)

Finding #3

§195.402 Procedural manual for operations, maintenance, and emergencies.

(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:
(2) Gathering of data needed for reporting accidents under Subpart B of this part in a timely and effective manner.

§195.52 Immediate notice of certain accidents.

(b) Information required. Each notice required by paragraph (a) of this Section must be made to the National Response Center either by telephone to 800-424-8802 (in Washington, DC, 202-267-2675) or electronically at <http://www.nrc.uscg.mil> and must include the following information:

(6) Initial estimate of amount of product released in accordance with paragraph (c) of this Section.

In Sections 19.12 and 19.13, CRCT's procedures for gathering data needed for reporting incidents did not include the gathering of the initial estimate of amount of product released.

The Emergency Response Plan, Section 8-Oil Spill, has been updated to include the requirement for gathering the initial estimate of the amount of product released. (Enclosed)

Finding #5

§195.402(c)(3) — See Above

§195.406 Maximum operating pressure.

(a) Except for surge pressures and other variations from normal operations, no operator may operate a pipeline at a pressure that exceeds any of the following:

(1) The internal design pressure of the pipe determined in accordance with §195.106. However, for steel pipe in pipelines being converted under §195.5, if one or more factors of the design formula (§195.106) are unknown, one of the following pressures is to be used as design pressure:

(i) Eighty percent of the first test pressure that produces yield under Section N5.0 of Appendix N of ASME/ANSI B31.8 (incorporated by reference, see §195.3), reduced by the appropriate factors in §§195.106(a) and (e); or

(ii) If the pipe is 323.8 mm (12% in) or less outside diameter and is not tested to yield under this paragraph, 1379 kPa (200 psig).

CRCT's O&M for establishing maximum operating pressures (MOP) was deficient because Section 9.1 was a restatement of the regulations. CRCT did not include a procedure on how the MOP is going to be determined (i.e.: calculations, what materials to be used, etc.). Additionally, the procedure did not define what records will be kept and for how long. It was also noted that a procedure (Section 9.3) allowed for uprating of a liquid line. This is not allowed by the hazardous liquid regulations and should be removed from the O&M.

CRCT has revised O&M section 9.1 Maximum Operating Pressure. O&M Section 4.4 Record Retention lists the requirements for record keeping. CRCT has also removed any language in the O&M that does not pertain to a hazardous liquid pipeline system. (Enclosed)

Finding #8

§195.402(c)(3) — See Above

§195.420 Valve maintenance.

(a) Each operator shall maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times.

CRCT's procedure was deficient because it did not require that all valves needed for the safe operation of the system will be maintained in good working order at all times. This regulation does not just pertain to the mainline valves, but all valves that are needed for the safe operation within the pump station and breakout tank facilities.

CRCT has modified the O&M section 11.1 Valve Maintenance to require all valves needed for the safe operation of the pipeline system be maintained in good working order at all times. In addition, CRCT has modified its site specific procedure, 6.06-ADM-010 Valve Inspection and Maintenance, to incorporate the same language and added a list of all such valves (6.06-ADM-010B). (Enclosed)

Finding #14

§195.402(c)(3) — See Above

§195.428 Overpressure safety devices and overfill protection systems

(a) Except as provided in paragraph (b) of this Section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7 1/2 months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

CRCT's O&M procedure for checking pressure limiting devices in Section 9.4 does not address the inspection of the flow controllers. Also, the referenced addendum 7.01-ADM-006 does not address the flow controllers either. Additionally, CRCT's process for checking the high pressure switches at the pump stations in the field did not match what is in the procedure (Section 9 and referenced addendum 7.01-ADM-006).

O&M Section 9.2 – Pressure Limiting Device Inspections has been updated to include the requirements for inspecting all pressure limiting devices. Section 9.2 and site specific procedure 7.01-ADM-006 – Overpressure Safety and Overfill Protection Devices have been updated to ensure documented procedures are in agreement with field practices. (Enclosed)

Finding #15

195.402(c)(3) — See Above

§195.428 Overpressure safety devices and overfill protection systems

(d) After October 2, 2000, the requirements of paragraphs (a) and (b) of this Section for inspection and testing of pressure control equipment apply to the inspection and testing of overfill protection systems.

CRCT's O&M does not have a section that addresses the inspection of the overfill protection systems for the breakout tanks. The CRCT document 7.01-ADM-006 does cover inspection of over-fill devices, but was not referenced as an addendum from the O&M.

Although O&M Section 9.4 – Pressure Limiting Device Inspections referenced site specific procedure 7.01-ADM-006 Overpressure Safety and Overfill Protection Devices, it did not include information regarding overfill protection systems. O&M Section 6.3 – Above Ground Breakout Tanks Overfill Protection has been updated to include a procedure for the inspection of overfill protection devices by reference to site specific procedure, 7.01-ADM-006. (Enclosed)

Finding #29

§195.402 Procedural manual for operations, maintenance, and emergencies.

(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:

(4) Determining which pipeline facilities are located in areas that would require an immediate response by the operator to prevent hazards to the public if the facilities failed or malfunctioned.

CRCT's O&M did not have a procedure for determining which pipelines are located in areas that would require an immediate response if the facilities failed or malfunctioned. CRCT indicated that they respond to all incidents on their pipelines the same regardless of location, but that was not stated in the O&M.

The Emergency Response Plan, Section 1-Introduction-Pipeline Requiring Immediate Response, has been updated to include the following language: "The Integrity Management Program manual includes the analysis and listing of pipeline facilities located in High Consequence Areas that would require immediate response if the facilities failed or malfunctioned. In addition, the Facility Response Plans include the detailed plans for responding to pipeline system emergencies. Although these high consequence areas have been clearly identified, CRCT chooses to respond to all pipeline emergencies with the same sense of urgency, regardless of location or HCA designation." (Enclosed)

Finding #30

§195.402 Procedural manual for operations, maintenance, and emergencies.

(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:
(5) Analyzing pipeline accidents to determine their causes.

CRCT's O&M Section 19.16 for investigating a pipeline failure does not detail what the company is going to do to analyze and investigate an incident. For example, the procedure did not include a change of custody form for transportation of the failed specimen or the use of metallurgical testing protocols.

The Emergency Response Plan, Section 6.3 Accident/Failure Investigation, has been updated to include specific requirements for analyzing and investigating a pipeline failure. (Enclosed)

Finding #33

§195.402 Procedural manual for operations, maintenance, and emergencies.

(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:
(13) Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.

CRCT's O&M procedure for the effectiveness review of the O&M in Section 1.10 is inadequate because the procedure is a partial restatement of the regulation. It does not define how company personnel will do the review and how often. Additionally, the procedure does not indicate how personnel will document the effectiveness review.

O&M Section 1.10 has been reviewed and removed from the manual. In order to address the requirements of 195.402(c)(13) O&M Section 2.1 – Manual Review has been revised to include details of the review. (Enclosed)

Finding #37

§195.402 Procedural manual for operations, maintenance, and emergencies.

(e) Emergencies. The manual required by paragraph (a) of this Section must include procedures for the following to provide safety when an emergency condition occurs;

(1) Receiving, identifying, and classifying notices of events which need immediate response by the operator or notice to fire, police, or other appropriate public officials and communicating this information to appropriate operator personnel for corrective action.

CRCT's procedures in Sections 19.3 and 19.4 were deficient because they did not reference the Facility Response Plan (FRP) which contains the procedures for notification of the qualified individuals and other appropriate personnel.

The Emergency Response Plan, Section 2-Notifications and Section 6.1-Receiving, Identifying and Classifying Notices of Events, has been revised to include necessary references to the Facility Response Plans. (Enclosed)

Finding #38

§195.402 (e) — See above

(2) Prompt and effective response to a notice of each type emergency, including fire or explosion occurring near or directly involving a pipeline facility, accidental release of hazardous liquid or carbon dioxide from a pipeline facility, operational failure causing a hazardous condition, and natural disaster affecting pipeline facilities.

CRCT's procedure for providing effective response to fire, natural disaster, and accidental release was deficient because it did not accurately detail what personnel would do if these scenarios should occur. For example, one of the steps indicated "If leaks are identified, shut the field down and close the liquid line inlet lines and blanket gas if it can be done safely". It does not appear that this step applies to crude oil pipelines.

The Emergency Response Plan has been revised to remove any language that does not apply to hazardous liquid lines.

Finding #39

§195.402 (e) — See above

(3) Having personnel, equipment, instruments, tools, and material available as needed at the scene of an emergency.

CRCT's procedure for identifying the personnel and equipment needed at the scene of an emergency in Section 19.10 was not accurately defined. The list of personnel and equipment can be found in the FRP, which was not referenced from the O&M.

The Emergency Response Plan has been revised to include necessary references to the Facility Response Plans. Please see Section 2-Notifications and Section 6.1-Receiving, Identifying and Classifying Notices of Events, as examples. (Enclosed)

Finding #40

§195.402 (e) — See above

(9) Providing for a post-accident review of employee activities to determine whether the procedures were effective in each emergency and taking corrective action where deficiencies are found.

CRCT's procedure for post-accident review of employee's activities was deficient because the procedure did not provide any guidance on how to meet this requirement. For example, the procedure states: "Determine whether the procedures were effective in each emergency and taking corrective action where deficiencies are found." This is a partial restatement of the regulation with no guidance on how personnel are going to do this. The procedure did not provide guidance on what the post-accident review consists of, and how CRCT will document it.

The Emergency Response Plan has been revised to include Section 6.5-Post Accident Effectiveness Review. (Enclosed)