

March 29, 2018

Mr. Lawrence A. Wall, Jr.
COO, Gas Infrastructure
USG Wheatland Pipeline, LLC
601 Travis Street
Houston, TX 77002

Re: CPF No. 3-2017-6004

Dear Mr. Wall:

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

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Allan C. Beshore, Director, Central Region, Office of Pipeline Safety, PHMSA

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)	
)	
USG Wheatland Pipeline, LLC,)	
 a subsidiary of NextEra Energy Resources, LLC,)	CPF No. 3-2017-6004
)	
Respondent.)	
)	

FINAL ORDER

From May 10-12, 2016, pursuant to 49 U.S.C. § 60117, representatives 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 USG Wheatland Pipeline, LLC (Wheatland or Respondent), near Williston, North Dakota. Wheatland, a subsidiary of NextEra Energy Resources, LLC, is a 22.8-mile intrastate crude oil pipeline in McKenzie, North Dakota, with 10 breakout tanks.¹

As a result of the inspection, the Director, Central Region, OPS (Director), issued to Respondent, by letter dated July 27, 2017, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Wheatland had violated 49 C.F.R. § 195.262 and proposed ordering Respondent to take certain measures to correct the alleged violation.

Wheatland responded to the Notice by letter dated August 17, 2017 (Response). The company did not contest the allegation of violation and agreed to complete the proposed compliance actions. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

In its Response, Wheatland 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. § 195.262(d), which states:

§ 195.262 Pumping equipment.

(a) ...

¹ Pipeline Safety Violation Report (Violation Report) (July 28, 2017) (on file with PHMSA).

(d) Except for offshore pipelines, pumping equipment must be installed on property that is under the control of the operator and at least 15.2 m (50 ft) from the boundary of the pump station. . . .

The Notice alleged that Respondent violated 49 C.F.R. § 195.262(d) by failing to install pumping equipment at least 50 feet from the boundary of the pump station. Specifically, the Notice alleged that Wheatland's Point of Ending (POE) pump station was installed 25 feet from the pumping station boundary, and Wheatland's Point of Beginning (POB) pump station was installed 12 feet from the pumping station boundary. The pipeline facility at issue is not an offshore pipeline and the property on which the pump stations are installed is under the control of Wheatland.

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. § 195.262(d) by failing to install pumping equipment at least 50 feet from the boundary of the pump station.

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 a violation of 49 C.F.R. § 195.262(d). 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 § 195.262 (**Item 1**), Respondent must:
 - a. Make modifications to the POB and POE facilities such that the pumping equipment is installed at least 50 feet from the pump station boundary controlled by Wheatland; and
 - b. Make the modifications required by this Compliance Order within 270 days after receipt of this Final Order, but no later than November 1, 2018, whichever comes first.

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.

It is requested (not mandated) that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. 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.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), 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.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

March 29, 2018

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued