

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 26, 2019

Mr. Joe Bob Perkins
Chief Executive Officer
Targa Resources Operating, LLC
811 Louisiana, Suite 2100
Houston, Texas 77002

CPF 3-2019-6005M

Dear Mr. Perkins:

On June 26-28, July 24-26, and July 31-August 2, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Targa Resources Operating, LLC's (Targa) procedures for Operations & Maintenance, Damage Prevention, Public Awareness, Operator Qualifications, Integrity Management and Emergency Response in Watford City, North Dakota.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Targa's procedures, as described below:

1. **§195.452 Pipeline integrity management in high consequence areas.**
 - (a) . . .
 - (f) *What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, the following element in its written integrity management program:*
 - (1) **A process for identifying which pipeline segments could affect a high consequence area; . . .**

Targa's Integrity Management Program (IMP) was inadequate because it did not provide a process for when the identification of which pipeline segments that could affect a high consequence area (HCA) should occur. At the time of the inspection, Targa's IMP

procedures allowed a pipeline segment to begin operations before the identification of pipeline segments that could affect a HCA was completed.

After the inspection, Targa amended its IMP procedures under Section 1.2 – Delineation of HCA Boundaries to state, “Pipelines constructed or converted after May 29th, 2001 shall be included in the program on the date the pipeline begins operation.” An amendment was sent to PHMSA via email on August 8, 2018. PHMSA reviewed the amended procedures and found that they satisfactorily meet the requirement of §195.452(f)(1). Therefore, no further action is required to correct the identified procedural deficiency in Targa’s IMP.

2. §195.565 How do I install cathodic protection on breakout tanks?

After October 2nd, 2000, when you install cathodic protection under §195.563(a) to protect the bottom of an aboveground breakout tank of more than 500 barrels 79.49m³ capacity built to API Spec 12F (incorporated by reference, *see* §195.3), API Std 620 (incorporated by reference, *see* §195.3), or API Std 650’s predecessor, Standard 12C, you must install the system in accordance with ANSI/API RP 651 (incorporated by reference, *see* §195.3). However, you don’t need to comply with ANSI/API RP 651 when installing any tank for which you note in the corrosion control procedures established under §195.402(c)(3) why complying with all or certain provisions of ANSI/API RP 651 is not necessary for the safety of the tank.

Targa’s Operations and Maintenance (O&M) manual was inadequate because it did not have a procedure requiring cathodic protection on breakout tanks that are installed in accordance with ANSI/API RP 651. After the inspection, Targa amended its Liquid Pipeline Corrosion Control procedure to address this deficiency. In an email to OPS dated August 18, 2018, Targa provided its revised “Liquid Pipeline Corrosion Control Procedures - Reference: 195.565”, which requires cathodic protection on breakout tanks to be installed in accordance with ANSI/API RP 651. This amendment to Targa’s procedure satisfactorily meets the requirement of §195.565. Therefore, no further action is required.

3. §195.573 What must I do to monitor external corrosion control? – Breakout Tanks

(d) Breakout tanks. You must inspect each cathodic protection system used to control corrosion on the bottom of an aboveground breakout tank to ensure that operation and maintenance of the system are in accordance with API RP 651 (incorporated by reference, *see* § 195.3). However, this inspection is not required if you note in the corrosion control procedures established under §195.402(c)(3) why complying with all or certain operation and maintenance provisions of API RP 651 is not necessary for the safety of the tank.

Targa's O&M manual was inadequate because it did not have a procedure requiring details for when and how cathodic protection systems would be inspected on breakout tanks. After the inspection, Targa amended its "Liquid Pipeline Corrosion Control Procedures – Reference: 195.573" to address this deficiency. In an email to OPS on August 8, 2018, Targa submitted its revised procedures detailing when and how cathodic protection systems are to be inspected on breakout tanks. This amendment to Targa's procedure satisfactorily meets the requirement §195.573(d). Therefore, no further action is required.

4. §195.579 What must I do to mitigate internal corrosion?

(d) Breakout tanks. After October 2, 2000, when you install a tank bottom lining in an aboveground breakout tank built to API Spec 12F (incorporated by reference, see §195.3, API Std 620 (incorporated by reference, see §195.3), API Std 650 (incorporated by reference, see §195.3), or API Std 650's predecessor, Standard 12C, you must install the lining in accordance with API RP 652 (incorporated by reference, see §195.3). However, you don't need to comply with API RP 652 when installing any tank for which you note in the corrosion control procedures established under §195.402(c)(3) why compliance with all or certain provisions of API RP 652 is not necessary for the safety of the tank.

Targa's O&M manual was inadequate because it did not have a procedure that required when installing a tank bottom lining in an aboveground breakout tank built to API Std. 650 to be installed in accordance with API RP 652. After the inspection, Targa amended its "Liquid Pipeline Corrosion Control Procedures – Reference 195.579" to address this deficiency and submitted this revised procedure to OPS via email on August 8, 2018. OPS reviewed the revised procedure and found it satisfactorily meets the requirement of §195.579(d). Therefore, no further action is required.

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 [number of days] 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 Targa Resources Operating LLC, maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Allan Beshore, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2019-6005M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Allan C. Beshore
Director, Central Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

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

Copy:

Mr. Clark White
Executive VP Engineering and Ops
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Houston, TX 77002