

## NOTICE OF AMENDMENT

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 22, 2019

Mr. Robert G. Phillips  
President and Chief Executive Officer  
Crestwood Equity Partners LP  
811 Main Street Suit 3400  
Houston, Texas 77002

**CPF 3-2019-6007M**

Dear Mr. Phillips:

From March 19-23, 2018, and September 10-14, 2018, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Crestwood Equity Partners LP (Crestwood) procedures in Williston, North Dakota.

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

1. **§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.
  - (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.**

**§195.432 Inspection of in-service breakout tanks.**

(a) . . . .

(b) **Each operator must inspect the physical integrity of in-service atmospheric and low-pressure steel above-ground breakout tanks according to API Std 653 (except section 6.4.3, *Alternative Internal Inspection Interval*) (incorporated by reference, see §195.3). However, if structural conditions prevent access to the tank bottom, its integrity may be assessed according to a plan included in the operations and maintenance manual under §195.402(c)(3). The risk-based internal inspection procedures in API Std 653, section 6.4.3 cannot be used to determine the internal inspection interval.**

*API 653*

*6.3.2.1 All tanks shall be given a visual external inspection by an authorized inspector. This inspection shall be called the external inspection and must be conducted at least every 5 years or  $RCA/4N$  years (where  $RCA$  is the difference between the measured shell thickness and the minimum required thickness in mils, and  $N$  is the shell corrosion rate in mils per year) whichever is less. Tanks may be in operation during this inspection.*

Crestwood's breakout tank inspection procedure 2.19 failed to incorporate the 5-year external inspection cycle as required by API Standard 653 Section 6.3.2.1. Crestwood's procedural manual must be amended to include this requirement.

2. **§195.402(c)(3) – See above**

**§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, each of the following elements in its written integrity management program***

(1) **A process for identifying which pipeline segments could affect a high consequence area**

Crestwood's Integrity Management Plan (IMP) did not contain adequate procedures to identify line segments that could affect high consequence areas (HCA). Specifically, the manual did not have procedures on how Crestwood conducts an analysis of the pipeline along the right-of-way and for breakout tanks and pump station facilities. Crestwood's IMP procedures must be amended to include details on the process to identify these line segments that could affect HCA directly, by overland spread or water transport.

3. §195.402(c)(3) – See above

**§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, each of the following elements in its written integrity management program**

(1) . . . .

**(3) An analysis that integrates all available information about the integrity of the entire pipeline and the consequences of a failure (see paragraph (g) of this section);**

Crestwood's IMP did not have procedures to identify and evaluate the risks to the breakout tanks and pump station in Epping, ND that could affect HCAs. Crestwood must amend its IMP to include this requirement.

4. §195.402(c)(3) – See above

**§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, each of the following elements in its written integrity management program**

(1) . . . .

**(5) A continual process of assessment and evaluation to maintain a pipeline's integrity (see paragraph (j) of this section);**

Crestwood's IMP did not include procedures to perform continual evaluations of facility integrity for the breakout tanks and pump station in Epping, ND. Crestwood must amend its IMP to include this requirement.

5. §195.402(c)(3) – See above

**§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, each of the following elements in its written integrity management program**

(1) . . . .

**(6) Identification of preventive and mitigative measures to protect the high consequence area (see paragraph (i) of this section);**

Crestwood's IMP did not include procedures for the identification of facility preventive and mitigative measures to protect the HCAs for the breakout tanks and pump station in Epping, ND. Crestwood must amend its IMP to include this requirement.

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 60 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 Crestwood Equity Partners LP 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 C. Beshore, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2019-6007M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

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