

## NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: Michael Dilger ([mdilger@pembina.com](mailto:mdilger@pembina.com)) and Bob Bachmier ([bob.bachmier@auxsable.com](mailto:bob.bachmier@auxsable.com))

December 16, 2020

Michael Dilger  
President and CEO  
Pembina  
Aux Sable Liquid Products, Inc.  
6155 East US Route 6  
Morris, Illinois 60450

**CPF 3-2020-6004M**

Dear Mr.Dilger:

From March 25 through March 29, and July 15 through July 19, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your procedures, records, and pipeline facilities in Morris, Illinois.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Aux Sable Liquid Products, Inc. (Aux Sable) 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:
    - (3) **Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

Aux Sable's procedural manual failed to address line marker placement and maintenance, and are therefore inadequate to comply with § 195.410(a)(1). Subpart F of Aux Sable's Operation

and Maintenance manual (Revision 12 dated 10/18/2018) alludes to line markers on Page 87 with a copied version of § 195.410 that simply replaces the word “operator” with the “Aux Sable” name. The procedural manual did not describe a process to determine the sufficient number of markers that are required to be placed and maintained by Aux Sable to accurately know a buried line’s location.

2. **§ 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:
    - (3) **Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

Aux Sable’s procedural manual failed to provide adequate instructions to operating personnel for conducting ground patrols in accordance with the requirements of § 195.412. Subpart F of Aux Sable’s Operations and Maintenance manual (Revision 12 dated 10/18/2018) stated that, “[t]he reporting of observations, the action taken by Company staff and record keeping shall be performed in a manner similar as is specified for inspection by aircraft.” The use of the term “similar” in lieu of specifying the requirements is vague and inadequate. For instance, the aerial patrol form, also used for ground patrols, did not describe and capture observations that are specific to ground patrols.

3. **§ 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:
    - (3) **Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

Aux Sable’s procedural manual was inadequate to assure compliance with the record keeping requirements of § 195.452(l)(1)(ii) for information analysis required by § 195.452(f)(3). Information analysis that occurred during meetings of subject matter experts, and the records of those meetings, were not defined in the procedures.

4. **§ 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:
    - (3) **Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

Aux Sable’s procedure for inspecting the internal surface of pipe removed from the pipeline was inadequate to assure compliance with § 195.579(c), which is included within subpart H of part 195. The procedures did not define the areas to be inspected, such as the removed pipe, or how

to implement a circumferential or longitudinal investigation to determine whether additional corrosion exists in the vicinity of the removed pipe.

5. **§ 195.402 Procedural manual for operations, maintenance, and emergencies.**
- (a) ....
  - (d) ***Abnormal operation.*** The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:
    - (1) **Responding to, investigating, and correcting the cause of:**
      - (i) **Unintended closure of valves or shutdowns;**
      - (ii) **Increase or decrease in pressure or flow rate outside normal operating limits;**
      - (iii) **Loss of communications;**
      - (iv) **Operation of any safety device;**
      - (v) **Any other malfunction of a component, deviation from normal operation, or personnel error which could cause a hazard to persons or property.**
    - (5) **Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.**

Aux Sable’s procedural manual failed to provide complete instructions on the information required to be recorded for abnormal operations. As part of its procedural manual, Aux Sable’s “Control Room Management Plan” directed the controller to complete a “Pipeline Event analysis form” for abnormal operations. The form contained a space for the controller to “Describe the Emergency,” but Aux Sable did not specify what needed to be recorded therein anywhere in the “Control Room Management Plan” procedure. For instance, the procedure did not include instructions to record information consistent with §195.402(d), including, but not limited to: a description of the abnormal operation; what was done to respond, investigate, and correct the cause of the associated abnormal operation; who performed what actions, and any outcomes from those actions. Because the procedure did not require complete information to be recorded, it was inadequate to provide for the periodic review of abnormal operations required by §195.402(d)(5), and the incorporation of lessons learned from operating experience required by §195.446(g).

#### 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 Enforcement 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 Aux Sable Liquid Products, Inc. maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Gregory A. Ochs, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2020-6004M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Gregory A. Ochs  
Director, Central Region, OPS  
Pipeline and Hazardous Materials Safety Administration

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

cc: Mr. Bob Bachmier, Senior Advisor, Aux Sable, [bob.bachmier@auxsable.com](mailto:bob.bachmier@auxsable.com)