



Michael Dillinger
Senior Counsel

May 7, 2021

Via e-mail to Gregory.Ochs@dot.gov

Gregory A. Ochs
Director, Central Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Suite 480
Kansas City, MO 64106

RE: Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order (CPF 3-2021-005-NOPV)

Dear Director Ochs,

After considering the below, NuStar Pipeline Operating Partnership, L.P. (NuStar) respectfully requests this Notice of Probable Violation (NOPV) and Proposed Compliance Order is withdrawn and, instead, the agency issues a Warning Letter. Alternatively, NuStar requests the proposed penalty is lowered because allegation number four should only be two instances instead of twelve instances.

First, please consider that NuStar cooperated with the agency, took responsibility and promptly corrected the issues related to allegation number one, since the time of inspection has corrected allegations two and three, and allegation four should only include two instances instead of twelve instances since it only involves two pipeline segments (the cited regulation is for “each pipeline”, not each valve). In addition, we have already created a plan to comply with the Proposed Compliance Order by entering the vaults with confined space permits per our NuStar Operating and Maintenance Procedures, and cleaning and inspecting the valve and pipe for atmospheric corrosion. After considering that all of the allegations have either been corrected or involve only 1/6th of the originally alleged instances, a Warning Letter would be more appropriate in this case. At a minimum, we request the penalty is lowered.

Second, while it does not excuse the allegations, when determining whether to exercise the agency’s discretion and withdraw this NOPV or lower the penalty, please consider that the NuStar pipeline safety and operations team that manages this over 2,496 miles of pipeline right-of-way has an excellent safety record. This refined products system has undergone three PHMSA integrated inspections and, since 2011, has had zero NOPVs. Next, please also consider NuStar’s company-wide dedication to safety in the midstream industry. We have been awarded the ILTA Safety Award ten times, have an industry leading Total Recorded Incident Rate (TRIR) rate well below the pipeline industry average¹ and are an OSHA Voluntary Protection Program leader².

Third, please consider that NuStar is a good corporate citizen, dedicated to supporting the local communities near our pipelines. In 2020, the Regional employees that oversee this specific pipeline

¹ <https://www.nustarenergy.com/Sustainability/HealthSafety/HSE>

² <https://www.nustarenergy.com/Sustainability/HealthSafety/VPPCommitment>

system volunteered 9,510 hours through a variety of events and donated \$95,420 to the United Way. Company-wide, we are a national leader and, in the last three years, our employees have on average contributed over 88,000 volunteer hours to charitable causes in the communities where we operate, pledged a record \$4.7 million to the United Way in 2020 and have been recognized twelve times as a Fortune magazine 100 Best Companies to Work For.

As you can see by the above, NuStar takes our commitment to pipeline safety very seriously and is dedicated to the safety and wellbeing of the communities in the areas where we operate. In addition, we have taken the allegations in this NOPV very seriously. After considering these circumstances, we respectfully request this NOPV is withdrawn and, instead, the agency issues a Warning Letter. Alternatively, NuStar requests the proposed penalty is lowered because allegation number four should only be two instances instead of twelve instances. If any additional information can help in consideration of our requests, please do not hesitate to contact me at mike.dillinger@nustarenergy.com. I would greatly appreciate the opportunity to discuss this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Dillinger". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael Dillinger
Senior Counsel