

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

VIA ELECTRONIC MAIL TO: Gerald.A.Knoyle@p66.com and Todd.T.Fuksa@p66.com

November 2, 2021

Gerald Knoyle
Refinery Manager
WRB Refining LP - Wood River Refinery
900 South Central Ave
Roxana, IL 62084

CPF 3-2021-028-NOPV

Dear Mr. Knoyle:

From February 10, 2020 through September 11, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your WRB Refining LP (WRB) crude oil pipelines located in Roxana, Illinois.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. § 195.302 General requirements.

(a) Except as otherwise provided in this section and in § 195.305(b), no operator may operate a pipeline unless it has been pressure tested under this subpart without leakage. In addition, no operator may return to service a segment of pipeline that has been replaced, relocated, or otherwise changed until it has been pressure tested under this subpart without leakage.

WRB failed to pressure test three pipe segments at its Wood River facility before operating the pipeline.. Specifically, WRB operated its fill lines for Tanks A82, A83 and A84 without pressure testing. PHMSA reviewed WRB's "DOT Regulated Pipe Design Info and MOP Determination" records, which the operator maintains to indicate which lines have been pressure tested without leakage. The records reviewed did not include any information about pressure testing without leakage prior to operation of the fill lines for Tanks A82, A83, and A84. WRB failed to produce any evidence that the fill lines for Tanks A82, A83, and A84 had been pressure tested prior to operation. Therefore, WRB failed to comply with the regulatory requirements of § 195.302(a).

2. § 195.310 Records.

(a)

(b) The record required by paragraph (a) of this section must include:

(1) The pressure recording charts;

WRB failed to retain records of each pressure test for its Keystone mainline relief pipeline as required. Under § 195.310(a), an operator must retain the record as long as the facility tested is in use. This record, as required by § 195.310(b)(1), must include pressure recording charts. WRB failed to retain any pressure recording charts for its Keystone mainline relief pipeline.

3. § 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.

WRB failed to prepare and follow a manual of written procedures for conducting normal operations and maintenance activities. Specifically, WRB did not prepare a manual of formal procedures until April 30th, 2019, when WRB also submitted to PHMSA for an operator identification number. WRB had been operating its Ozark and Capwood relief line since 1967, and its Keystone Relief line since 2010.

4. § 195.452 Pipeline integrity management in high consequence areas.

(a)

(b) What program and practices must operators use to manage pipeline integrity?

Each operator of a pipeline covered by this section must:

(1) Develop a written integrity management program that addresses the risks on each segment of pipeline in the first column of the following table no later than the date in the second column:

Pipeline	Date
Category 1	March 31, 2002.
Category 2	February 18, 2003.
Category 3	Date the pipeline begins operation or as provided in §195.12 for low stress pipelines in rural areas.

WRB failed to develop a written integrity management program for its Roxana, Illinois facility located within a High Population High Consequence Area (HCA). Specifically, WRB did not develop and implement an integrity management program within 1 year after its Capwood and Keystone relief lines and associated facilities began operations as a covered pipeline segment serving pressure relief for the Keystone pipeline. WRB did not develop its written integrity management program until April 30th, 2019, when WRB also submitted to PHMSA for an operator identification number.. WRB had been operating its Ozark and Capwood relief line since 1967, and its Keystone Relief line since 2010.

5. § 195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to...

WRB failed to have and follow a written qualification program. Specifically, WRB did not prepare and follow a written qualification program until April 30, 2019, when WRB also submitted to PHMSA for an operator identification number. WRB had been operating its Ozark and Capwood relief line since 1967, and its Keystone Relief line since 2010.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. We have reviewed the circumstances and supporting documentation involved for the above probable violations and recommend that you be preliminarily assessed a civil penalty of **\$46,600** as follows:

<u>Item Number</u>	<u>Penalty</u>
4	\$46,600

Warning Items

With respect to Items 2, 3 and 5 we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct these Items. Failure to do so may result in additional enforcement action.

Proposed Compliance Order

With respect to Item 1, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to WRB. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

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. All material you submit in response to this enforcement action may be 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, or request a hearing under 49 CFR § 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 a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 3-2021-028-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

cc: doug.b.sauer@p66.com DOT Coordinator

PROPOSED COMPLIANCE ORDER

Pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to WRB Refining LP (WRB) a Compliance Order incorporating the following remedial requirements to ensure the compliance with the pipeline safety regulations:

1. In regard to Item Number 1, pertaining to pressure testing prior to operation, WRB must develop a plan and execute a hydrotest in accordance with Subpart H of CFR 195 for all Tank A82, A83 and A84 fill lines within 180 days of receipt of the Final Order. WRB shall update Central Region at least every 90 days until completion. WRB shall submit all documentation to the Director of Central Region upon completion of the mandated compliance actions.
2. It is requested (not mandated) that WRB maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Gregory A. Ochs, Director, Central, Pipeline and Hazardous Materials Safety Administration. 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.