

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: greg.brown@chsinc.com; michelle.slyder@chsinc.com; and bpatton@jayhawkpl.com

October 1, 2021

Mr. Greg Brown
Vice President and General Manager
Jayhawk Pipeline LLC
803 Highway 212 S
Laurel, MT 59044

CPF 3-2021-076-NOA

Dear Mr. Brown:

From March 15 through April 9, 2021, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Operation and Maintenance (O&M) procedures for Jayhawk Pipeline LLC (Jayhawk).

On the basis of the Inspection, PHMSA has identified the apparent inadequacies found within the company's 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:**
 - (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.**

Jayhawk's procedure did not address the inspection of pipelines after an extreme weather event or natural disaster, as required by § 195.414(a). Jayhawk personnel pointed to Section 207.6 in the ROW section of the O&M, and Section 400 of the emergency manual, as the procedures to address this requirement. The emergency manual did not cover the requirement for inspection of pipeline after an extreme weather event or natural disaster, rather, it was focused on employee safety during a natural disaster. Section 207.6 of Jayhawk's O&M contained procedures on patrolling after a flooding incident, but the procedure did not address any other natural disaster (e.g. landslide, earthquakes, etc.). Additionally, the procedure did not address the inspection methods and the need for

additional assessments, the time period for those assessments, and the remediation options.

Jawhawk must amend its procedures to comply with the requirements of § 195.414.

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:

(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.

Jawhawk's procedures did not address how they will perform assessments of pipelines that are not currently subject to the requirements of § 195.452, as required by § 195.416.

At the time of PHMSA's inspection, the integrity management program also addressed repairs to pipelines that are not subject to § 195.452. However, there was nothing in the procedures that specifically addressed how the proper assessment method for such segments will be determined; how Jawhawk will handle other technology; the data analysis; and when discovery of conditions occurs for those sections of line pipe not subject to the requirements of § 195.452.

Jawhawk must amend its procedures to comply with the requirements of § 195.416.

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:

(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.

Jawhawk's procedures for Public Awareness did not sufficiently address the annual audit of the program's implementation, as required by § 195.440.

At the time of PHMSA's inspection, the procedure stated in Section 9 that the "Public Awareness Audit Committee shall review documents such as Appendix B and F annually not to exceed 15 months. This review shall be for program implementation within the organization and furthering access if supplemental or enhanced efforts are necessary." The procedures did not contain guidance on how to document the following in accordance to section 8.3 and Appendix E of API RP 1162, incorporated by reference:

- What awareness activities were planned for the year and what was accomplished during the year;

- What internal and external information was collected and reviewed by the operator;
- What decisions were made by the operator based on the information including the addition of supplemental messaging and;
- What is planned for the next year?

The procedure must be amended to comply with the requirements of § 195.440, and should also indicate how Jayhawk personnel will document compliance with these requirements.

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:

(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.*

Jayhawk’s procedures did not provide guidance on how they would monitor cathodic protection of their breakout tank bottoms, as required by § 195.573. For instance, in the field, Jayhawk personnel take readings at four quadrants of the tank and at the center of the tank if equipped with a permanent half cell. None of these actions were identified in the procedures Section 703.

Jayhawk must amend its procedures to identify how it would monitor cathodic protection of its breakout tank bottoms in accordance with API RP 651 and § 195.573.

5. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a)

(f) *Safety-related condition reports.* The manual required by paragraph (a) of this section must include instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 195.55.

Jayhawk’s safety related condition procedures in Section 500 of the O&M manual did not contain clear guidance on when a safety related condition report (SRCR) should be filed when related to a repair of an integrity management program anomaly. Section 502 of the O&M plan only addresses the differences between “Discovery” as it is used in SRCRs and how it is used in the integrity management program. However, there is no guidance to specifically indicate that a SRCR must be filed if a 20% or more pressure reduction is taken and the integrity repair cannot be completed within five days of determination or 10 days from the date of discovery as it pertains to SRCRs. During PHMSA’s inspection, it was determined that there was confusion about reporting SRCRs in those situations with anomaly digs and the reporting requirements to PHMSA in the integrity management regulations.

Jayhawk must amend its procedures to comply with the requirements of § 195.402(f).

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 90 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 Jayhawk Pipeline 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 Greg A. Ochs, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2021-076-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings