

NOTICE OF AMENDMENT

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

December 16, 2021

Mr. Greg Brown
Vice President
Cenex Pipeline LLC
Jayhawk Pipeline LLC
Front Range Pipeline LLC
803 Highway 212 S
Laurel, MT 59044

CPF 3-2021-095-NOA

Dear Mr. Brown:

From March 15-19, 2021, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the Integrity Management procedure manual (IMP) applicable to Cenex Pipeline LLC (OPID 2175), Jayhawk Pipeline LLC (OPID 1975), and Front Range Pipeline LLC (OPID 32283). The three operators will be referred to as the Company for this Notice.

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.**

The Integrity Management (IM) program was inadequate because it did not have procedures for applying integrity management to the company's covered facilities (*i.e.*: pump stations and tank farms) as required by § 195.452(b)(1). Per § 195.452(a), each pipeline [see the definition of "Pipelines" in §195.2] that could affect a high consequence area are covered under § 195.452, including pump stations and tank farms, and are to be included in the IM program required by § 195.452(b)(1). It appeared that the company was applying integrity management measures to covered facilities in the field, but the procedures did not reflect what the company was doing, such as: the could affect analysis, the continual evaluation of the facilities, preventative & mitigative measures, and other integrity management elements described in § 195.452(f).

The Company must amend its written IM procedures to comply with the requirements of § 195.452(b)(1) by including the elements of § 195.452(f) for covered facilities.

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.**

The IM procedures were inadequate because they did not contain any guidance for performing an information analysis as required by § 195.452(g). The procedures did not contain the required data elements and attributes needed for the analysis, nor did it describe how and when the periodic information analyses were going to be completed or by whom.

The Company must amend its written IM procedures to comply with the requirements of § 195.452(g).

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.**

The IM procedures as did not address the annual verification of the risk factors used in identifying pipeline segments that could affect a high consequence area as required by § 195.452(j)(2). The IM Procedures on page 14 under *Program Overview* contained a requirement to review the risk factors used to identify a high consequence area annually not

to exceed 15 months, but did not provide any guidance or details on how the review should be performed, who shall do it, and how it is to be documented.

The Company must amend its written IM procedures to comply with the requirements of § 195.452(j)(2).

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.**

The IM procedures did not contain adequate information regarding remedial actions and evaluations to address integrity issues raised by the assessment methods and information analysis as required by § 195.452(f)(4). Specifically, there were no appropriate procedures for remedial actions for seams, cracks or cracking and no procedures to ensure that proper non-destructive examination (NDE) method(s) and other information gathering processes are used to evaluate seams, cracks, or cracking. On the Jayhawk system, cracking was identified from a tool run in 2017. IM procedures to address remedial actions for this identified threat must be part of the IM program.

The Company must amend its written IM procedures to comply with the requirements of § 195.452(f)(4).

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 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 Cenex Pipeline LLC, Front Range Pipeline LLC and 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 3-2021-095-NOA** 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

CC: Michelle Slyder, Manager DOT Compliance, michelle.slyder@chsinc.com
William Patton, DOT Compliance Asst., bpatton@jayhawkpl.com

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