



U.S. Department  
of Transportation  
**Pipeline and Hazardous  
Materials Safety  
Administration**

901 Locust Street, Suite 480  
Kansas City, MO 64106

## WARNING LETTER

VIA ELECTRONIC MAIL TO: [hnpefanis@paalp.com](mailto:hnpefanis@paalp.com) and [khcunningham@paalp.com](mailto:khcunningham@paalp.com)

March 4, 2022

Mr. Harry Pefanis  
President/CEO  
Plains Pipeline, LP  
333 Clay Street, Suite 1600  
Houston, TX 77002

**CPF 3-2022-041-WL**

Dear Mr. Pefanis:

From June 14 to July 20, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), remotely inspected Plains Pipeline, LLC's (Plains) Control Room Management (CRM) procedures and records in Midland, Texas.

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

1. **§ 195.446 Control room management.**
  - (a) . . .
  - (e) ***Alarm Management.* Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:**
    - (1) . . .
    - (3) **Verify the correct safety-related alarm set-point values and alarm descriptions when associated field instruments are calibrated or changed and at least once each calendar year, but at intervals not to exceed 15 months.**

Plains failed to complete the verification of correct safety-related alarm set-point values and alarm descriptors when associated field instruments are calibrated or changed and at least once each calendar year, but at intervals not to exceed 15 months. The operator stated, during the inspection, that prior to 2020, they were "just relying on the fact that safety related alarms were part of DOT maintenance; they were dependent upon the field doing the job." They could not validate that all safety related alarms were verified through this process.

In 2020, Plains changed its process (Section 6.6.12) to export all safety-related alarms to a format where it could review the set points and alarm descriptions. While Plains staff indicated they did look at all alarms, they did not have the documentation to support what they looked at.

Plains also modified its O&M manual to include the field safety related points and flagged them in Maximo, the operator's work management system, as required work tickets. This was noted on the annual review log changes completed on February 5, 2021.

**2. § 195.446 Control room management.**

**(a) . . .**

**(e) Alarm Management. Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:**

**(1) . . .**

**(4) Review the alarm management plan required by this paragraph at least once each calendar year. But at intervals not exceeding 15 months, to determine the effectiveness of the plan.**

Plains failed to follow their procedure to provide documentation demonstrating compliance it performed review of the Alarm Management Plan (AMP) at least once each calendar year, but at intervals not exceeding 15 months, in order to determine the effectiveness of the plan for 2018, 2019, and 2020. In a review of the records, there was no reference or documentation of the performance measures outlined in sections 6.6.10.3.1 - 6.6.10.3.7 of the AMP. The Alarm Management Review Form has dates of 3/25/2019, 10/9/19, and 10/1/2020. A note in the 3/25/2019 review findings from the AMP review were noted in form 2018 CRM Plan and Procedures Review Improvement Action Items. This was a general tracking document for action items from review various control room procedures. Some of the items were obviously related to the Alarm Management Plan. While it appears some portion or all the review was completed in 2018, the documentation is dated in 2019. The operator was not able to explain this.

A document titled Pacific Pipeline Systems Console Procedures Annual Review Checklist 6/29/2020, provided as a 2020 compliance record, was submitted as an example for all consoles. Section 2 under the Console - Specific SCADA System & Screen Review provided questions for review related to accuracy of the SCADA data base for alarms set points and descriptions. This was not in the procedure. It could have been included as a performance measure, but it was not.

Also, while recommendations were made for improvements, there was no documentation to demonstrate what was reviewed, results compared to metrics, findings/deficiencies, and corrective actions. All that was provided were corrective actions. There were no links between performance measurements, findings/deficiencies, proposed corrective actions, completion of action items and documentation.

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.

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 correct the item(s) identified in this letter. Failure to do so will result in Plains Pipeline, LP being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 3-2022-041-WL**. 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).

Sincerely,

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

cc: Kevin Cunningham, Director, HSE Compliance Programs ([khcunningham@paalp.com](mailto:khcunningham@paalp.com))