

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 6, 2012

Mr. Troy Valenzuela
Vice President, Environmental Health & Safety
Plains Pipeline, L.P.
333 Clay Street, Suite 1600
Houston, Texas 77002

CPF 4-2012-5035M

Dear Mr. Valenzuela:

In April 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Plains Pipeline L.P.'s procedures for Telephonic Notification for Reportable Accidents following an accident that occurred on October 11, 2011, in Hermleigh, Texas.

On the basis of the inspection, PHMSA has identified the apparent inadequacy found within Plains' plans or procedures, as described below:

1. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(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:

(2) Gathering of data needed for reporting accidents under subpart B of this part in a timely and effective manner.

SUBPART B – Annual, Accident, and Safety-Related Condition Reporting **§195.52 Telephonic notice of certain accidents.**

(a) **Notice requirements. At the earliest practicable moment following discovery of a release of the hazardous liquid or carbon dioxide transported resulting in an event described in §195.50, the operator of the system must give notice, in accordance with paragraph (b) of this section, of any failure that:**

(3) Caused estimated property damage, including cost of cleanup and record, value of lost product, and damage to the property of the operator or others, or both, exceeding \$50,000;

On October 11, 2011, Plains Pipeline experienced a leak on their Basin Pipeline which at the time was not reportable based on the conditions. However, on October 13, 2011, Plains determined that the cost of repairs exceeded the \$50,000 reporting criteria and failed to make the required telephonic notification. Plains Operations & Maintenance Procedures Manual Sections 403 Reporting Accidents and Safety Related Conditions, and Appendix C Reporting Accidents and Safety Related Conditions P-195.50 do not contain provisions for notification to the National Response Center in those instances where the repair costs exceed the reporting threshold or in the event any other circumstance changes resulting in the need for telephonic reporting.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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). 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, after opportunity for a hearing, 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. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 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 Plains Pipeline, L.P. maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2012-5035M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

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