

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

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

January 2, 2013

Mr. Hunter Battle  
Vice President, TX/LA Gulf Coast  
Targa Resources Operating LP  
1000 Louisiana, Suite 4300  
Houston, TX 77002

**CPF 4-2013-5001**

Dear Mr. Battle:

During the months of June, July, and September of 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected your Orange Extension Pipeline and Hackberry Storage Facility in Sulphur, LA.

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

**1. §195.403 Emergency Response Training**

**(b) At the intervals not exceeding 15 months, but at least once each calendar year, each operator shall:**

**(1) Review with personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) of this section; and**

**(2) Make appropriate changes to the emergency response training program as necessary to ensure that it is effective.**

**(c) Each operator shall require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under §195.402 for which they are responsible to ensure compliance.**

At the time of the inspection, Targa Resources Operating LP (Targa) failed to provide records indicating the company reviewed the emergency response program with Targa personnel as per the requirements of 195.403 (b) (1). The last review was performed during February and June of 2010. In addition, Targa failed to provide records indicating the company reviewed the emergency response program with Controllers at Hackberry Storage Facility.

Targa, also failed to require and verify that its supervisors maintain a thorough knowledge of emergency response procedures as per section 403 (c) in the calendar year of 2011. The last documentation for supervisory training was dated as 6/2/2010 for Emergency Response and 9/9/2009 for Incident Command.

Targa Hazardous Liquids Normal Operations and Maintenance Procedures, Emergency Response Training, revised on 4/8/2011 states:

“At intervals not exceeding 15 months, but at least once each calendar year, the Area Manager or his designee will:

- 1) Review with personnel their performance in meeting the objectives of the emergency program set forth above; and
- 2) Make appropriate changes to the training program as necessary to ensure that it is effective.
- 3) Require and verify that supervisors maintain a thorough knowledge of that portion of the procedures for they are responsible.”

And,

Targa Hazardous Liquids Operations, Maintenance & Emergencies Manual – Emergency Protection Plan, Section IV-O – Training and Review states “The Area Manager or his designee shall keep on file at the attendance and items covered at each training session”.

According to the Targa representative during the inspection, the Emergency Response training was removed from the block training program due to administrative oversight in 2011.

**2. §195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?**

**(c) You must inspect and electrically test each electrical isolation to assure the isolation is adequate**

Targa Liquid Pipeline Corrosion Control Procedures for Electrical Isolation, revised on 6/24/2009 state “The effectiveness of insulation flanges or other devices will be checked upon installation and at intervals not to exceed 15 months but at least once each calendar year.” It further states, “These readings shall be included in the annual cathodic protection survey report.” While reviewing the calendar years 2009, 2010, and 2011 records associated with cathodic protection, the PHMSA inspector found that Targa failed to inspect three insulating devices installed on Orange Extension pipeline since they were installed. Targa conducted an inspection on these three insulation flanges during the month of August, 2012, after PHMSA inspector brought this issue to the company attention.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 3, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$34,000 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$19,900
2	\$14,100

Proposed Compliance Order

With respect to item 1 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Targa Resources Operating LP. 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 Compliance 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). 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.

In your correspondence on this matter, please refer to **CPF 4-2013-5001** 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

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

## **PROPOSED COMPLIANCE ORDER**

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Targa Resources Operating LP a Compliance Order incorporating the following remedial requirements to ensure the compliance of Targa with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to failure to review emergency program, Targa must review emergency program with company personnel including controllers at Hackberry Storage Facility and if necessary, make appropriate changes to their emergency response training to ensure it is effective. In addition, Targa must verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures. This must be documented.
2. Within forty-five (45) days after receipt of the Final Order related to this case, Targa must complete and submit all documentation listed in 1 of this Proposed Compliance Order.
3. It is requested (not mandated) that Targa maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to R. M. Seeley, Director, Southwest Region, 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.