

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 10, 2014

Mr. Jeff Shipper
Panther Pipeline, LTD.
16000 Stuebner Airline, Suite 420
Spring, TX 77379

CPF 4-2014-5034W

Dear Mr. Shipper:

On June 17, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Panther Pipeline, LTD. (Panther) Control Room facilities in Texas City, TX.

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. §195.446 Control room management

(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:

(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

At the time of the control room inspection, Panther had not performed a review of their alarm management plan at least once each calendar year, but at intervals not exceeding 15 months, to determine the effectiveness of the plan.

Panther could not produce documentation to show that the alarm management plan was reviewed for effectiveness for calendar year 2013.

2. §195.446 Control room management

(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:

(5) Monitor the content and volume of general activity being directed to and required of each controller at least once each calendar year, but at intervals not exceeding 15 months, that will assure controllers have sufficient time to analyze and react to incoming alarms

At the time of the control room inspection, Panther had not monitored the content and volume of general activity being directed to and required of each controller at least once each calendar year, but at intervals not exceeding 15 months, that will assure controllers have sufficient time to analyze and react to incoming alarms.

Panther could not produce documentation to show the content and volume of general activity being directed to and required of each controller was monitored for calendar year 2013.

3. §195.446 Control room management

(h) Training. Each operator must establish a controller training program and review the training program content to identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months. An operator's program must provide for training each controller to carry out the roles and responsibilities defined by the operator.

At the time of the control room inspection, Panther had not reviewed the training program content to identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months.

Panther could not produce documentation to show the training program content had been reviewed for calendar year 2013.

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 4, 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. 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 Panther Pipeline, LTD. 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 4-2014-5034W**. 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,

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