



U.S. Department  
of Transportation

Pipeline and Hazardous Materials  
Safety Administration

1200 New Jersey Avenue SE  
Washington DC 20590

DEC 12 2018

Mr. Terry K. Spencer  
President and CEO  
ONEOK, Inc.  
100 West Fifth Street  
Tulsa, OK 74103

**Re: CPF No. 4-2017-5028**

Dear Mr. Spencer:

Enclosed please find the Final Order issued in the above-referenced case. It makes one finding of violation and specifies actions that need to be taken by ONEOK NGL Pipeline, LLC, a subsidiary of ONEOK, Inc., to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Southwest Region, this enforcement action will be closed. Service of the Final Order by certified mail is effective upon the date of mailing as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Ms. Mary McDaniel, Director, Southwest Region, Office of Pipeline Safety, PHMSA  
Mr. Wesley Christensen, Vice President, NGL Operations, 100 West Fifth Street, Tulsa,  
OK 74103

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

**In the Matter of**

**ONEOK NGL Pipeline, LLC,  
a subsidiary of ONEOK, Inc.,**

**Respondent.**

**CPF No. 4-2017-5028**

**FINAL ORDER**

From May 2016 through November 2016, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of ONEOK NGL Pipeline, LLC (ONEOK NGL or Respondent), in Texas, Oklahoma, and Kansas. ONEOK NGL is a subsidiary of ONEOK, Inc., one of the largest energy midstream service providers in the United States.<sup>1</sup> ONEOK NGL operates approximately 2,440 miles of natural gas liquid (NGL) pipelines, with a peak capacity of 393,000 barrels per day.<sup>2</sup>

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated September 5, 2017, a Notice of Probable Violation and Proposed Compliance Order (Notice), which also included warnings pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that ONEOK NGL had violated 49 C.F.R. § 195.452 and proposed ordering Respondent to take certain measures to correct the alleged violation. The warning items required no further action, but warned the operator to correct the probable violations or face possible future enforcement action.

ONEOK Partners, LP, responded to the Notice, on behalf of ONEOK NGL, by letter dated October 11, 2017 (Response).<sup>3</sup> The company did not contest the allegation of violation but requested that the compliance terms be modified. Respondent did not request a hearing and therefore has waived its right to one.

<sup>1</sup> ONEOK website, *About Us*, available at <http://www.oneok.com/About> (last accessed September 10, 2018).

<sup>2</sup> ONEOK website, ONEOK NGL Pipeline, LLC, available at <http://www.oneok.com/partners/Customers/NaturalGasLiquids/Pipelines/NGLPipeline> (last accessed September 12, 2018).

<sup>3</sup>The Response was on ONEOK Partners, LP letterhead. However, ONEOK, Inc. acquired ONEOK Partners, LP on June 30, 2017.

### FINDING OF VIOLATION

In its Response, ONEOK NGL did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

**Item 2:** The Notice alleged that Respondent violated 49 C.F.R. § 195.452(i), which states in relevant part:

**§ 195.452 Pipeline integrity management in high consequence areas.**

(a) ...

(i) *What preventive and mitigative measures must an operator take to protect the high consequence area?*

(1) ...

(4) *Emergency Flow Restricting Devices (EFRD).* If an operator determines that an EFRD is needed on a pipeline segment to protect a high consequence area in the event of a hazardous liquid pipeline release, an operator must install the EFRD. In making this determination, an operator must, at least, consider the following factors—the swiftness of leak detection and pipeline shutdown capabilities, the type of commodity carried, the rate of potential leakage, the volume that can be released, topography or pipeline profile, the potential for ignition, proximity to power sources, location of nearest response personnel, specific terrain between the pipeline segment and the high consequence area, and benefits expected by reducing the spill size.

The Notice alleged that Respondent violated 49 C.F.R. § 195.452(i)(4) by failing to complete its process to determine if EFRDs were needed on pipeline segments to protect high consequence areas in the event of a hazardous liquid pipeline release. Specifically, the Notice alleged that ONEOK NGL failed to perform initial EFRD evaluations on 17 pipelines.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.452(i)(4) by failing to perform initial EFRD evaluations on 17 pipeline segments to determine if EFRDs were needed to protect high consequence areas in the event of a hazardous liquid pipeline release.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

### COMPLIANCE ORDER

The Notice proposed a compliance order with respect to **Item 2** in the Notice for violations of 49 C.F.R. § 195.452(i)(4). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601.

With regard to the violation of § 195.452(i)(4), Respondent did not contest the substance of the compliance terms but requested that the compliance terms be modified. Specifically, Respondent requested that the compliance terms require ONEOK NGL to perform a study to determine *if* EFRDs were needed, rather than perform a study to determine *that* EFRDs were needed. In addition, Respondent requested an additional 60 days to complete the EFRD analysis.

I find the proposed modifications to the compliance terms are appropriate since § 195.452(i)(4) only requires EFRDs if an operator determines, through evaluation, that they are needed. Regarding the request for additional time to complete the compliance terms, the Director recommends that the Respondent have an additional 60 days (150 days in total) to complete the terms of the compliance order. Therefore, pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 195.452(i)(4) (**Item 2**), Respondent must perform a study based on its current High Consequence Areas list to determine if an EFRD is needed on a pipeline segment to protect a high consequence area in the event of a hazardous liquid pipeline release, to enhance public safety.
2. With respect to the violation of § 195.452(i)(4) (**Item 2**), Respondent must complete item 1 of this Compliance Order within 150 days of receipt of this Final Order.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

It is requested that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. 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.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

### **WARNING ITEMS**

With respect to **Items 1, 3, and 4**, the Notice alleged probable violations of Part 195 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 195.575(c) **(Item 1)** — Respondent's alleged failure to inspect and electrically test each electrical isolation to assure the isolation was adequate. In addition, Respondent allegedly found structure pipe-to-soil and foreign pipe-to-soil readings less than 100 mV and failed to take actions to correct any deficiency less than 100 mV between the casing and foreign pipeline within 12 months, as required by Respondent's procedures.

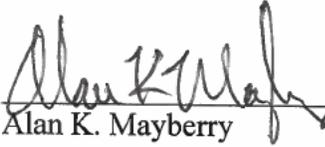
49 C.F.R. § 195.589(c) **(Item 3)** — Respondent's alleged failure to maintain a record of each inspection required under Part 195, subpart H (Corrosion Control).

49 C.F.R. § 195.428(a) **(Item 4)** — Respondent's alleged failure to inspect and test each pressure-limiting device, relief valve, pressure regulator, or other item of pressure-control requirement to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2<sup>nd</sup> Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address, no later than 20 days after receipt of service of this Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.



Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

DEC 12 2018

Date Issued