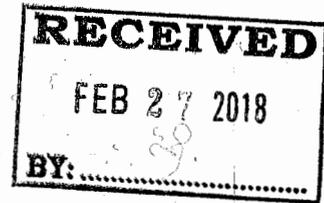


February 26, 2018

Ms. Mary McDaniel, Director
PHMSA, Southwest Region
8701 South Gessner Road
Suite 630
Houston, TX 77074



Re: Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order
CPF No.: 4-2018-1001

Dear Ms. McDaniel:

Gulf South Pipeline Company, LP (Gulf South) has received the Notice of Probable Violation (NOPV) and Proposed Civil Penalty (Penalty) and Proposed Compliance Order (Order) dated January 31, 2018, regarding the probable violations found between May 8, 2015 and September 15, 2016, during PHMSA's onsite inspections of Gulf South's assets in Texas and Louisiana.

Gulf South has reviewed the probable violations and has provided a response to each Item in the NOPV and Order as outlined below:

Item 1: §192.605 and §192.615: *Gulf South failed to perform training of personnel through mock drills. In 2014, exercises and mock drills were not conducted in Hall Summit-Sarepta (Hall Summit), Westlake, and Goodrich Units and in 2015, exercises and mock drills were not conducted in Hall Summit-Sarepta (Hall Summit) and Goodrich units.*

Penalty: \$29,600

Response: Gulf South does not contest the allegations in Item 1. The penalty amount of \$29,600 will be transferred by electronic funds to PHMSA prior to March 1, 2018.

Item 2: §192.605 and §192.615: *Failed to perform review of employee activities following an emergency situation to determine whether emergency procedures were effectively followed as required by procedures. 2014 Event reports 1062 and 1063 (Goodrich) involved pipeline leaks that occurred within 220 yards of a building intended for human occupancy. The events were repaired in a timely manner. The documentation did not include a review of employee activities to determine whether procedures were effectively followed in response to the emergency.*

Penalty: \$0

Response: Gulf South does not contest the allegations in Item 2.

Item 3: §192.743 *Pressure limiting and regulating stations: Capacity of relief devices.* Gulf South failed to properly determine the capacity of pressure relief devices to protect the facilities to which they are connected as required by 192.743.

The Control Equipment Inspection Reports presented as a record of annual inspection of overpressure protection did not represent actual or up to date information related to regulator and relief valve capacities at certain locations. The required annual testing or reviews of capacities of regulators and overpressure protection relief devices should have revealed to the reviewers that, in some cases, capacities of regulators appeared to exceed the capacities of overpressure protective relief devices.

Penalty: \$0; Proposed Compliance Order (CAO) issued

Proposed Compliance Action Order:

- 1) *In regard to Item Number 3 of the NOPV pertaining to the failure to properly determine the capacity of pressure reduction and relief devices to protect facilities to which they are connected as required by §192.743:*
 - a) *Gulf South must conduct a review of pressure reduction and relief device capacities to ensure adequate overpressure protection capacities are in place to maintain downstream operating pressures within the MAOP limits and provide training to individuals responsible for the annual reviews required by §192.743.*
 - b) *Provide documentation of the reviews of pressure reduction and overpressure protection capacities performed. Also provide the names and dates of when the training was completed for individuals who would be performing the annual reviews required by §192.743.*
- 2) *Gulf South shall complete Item 1 and within 60 days after receipt of the Final Order.*
- 3) *It is requested (not mandated) that Gulf South Pipeline, LP maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Terri J. Binns, Acting 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.*

Response: Gulf South has been working on a new data system (OMS/RRV) for relief devices and calculations. With the new system, additional system enhancements have been implemented (and continue to be implemented) to provide consistent calculations, automated data checking capability and subsequent work order generation when changes occur.

The noted items in the NOPV were all data errors and not actual equipment sizing issues. Gulf South has made numerous improvements with the new system and calculation process. Gulf South's Regional Measurement Leaders are in the process of reviewing all data that was migrated to the new system and will continue the process to ensure that all relief device data is correct. Once the data verification is complete, the new controls placed within OMS/RRV will ensure data integrity going forward.



With the volume of data that is currently being verified and the additional system enhancements that were recently identified, Gulf South respectfully requests PHMSA to consider granting Gulf South an extension from 60 days to 120 days to complete the requirements in the Proposed Compliance Order. The 120 day request would allow Gulf South the time to ensure that all equipment and capacities have fully been verified.

Item 4: §192.465 External corrosion control: Monitoring.

(d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.

Gulf South failed to take prompt remedial action to remediate cathodic protection deficiencies discovered during annual monitoring of cathodically protected facilities.

On Line 64, Magasco C.S. to Call Junction, (OPS- Goodrich) - pipe-to-soil measurements taken at mile pole 62.9600 failed to meet the established criteria for adequate cathodic protection for 2014 and 2015 and pipe-to-soil measurements taken at mile pole 63.9010 failed to meet adequate cathodic protection levels for 2014, 2015, and 2016.

Penalty: \$32,400

Response: Gulf South does not contest the allegations in Item 4 and the penalty amount of \$32,400 will be transferred by electronic funds to PHMSA prior to March 1, 2018. At the time of this inspection, Gulf South had taken active steps to address these concerns. Gulf South terminated the local corrosion technician on 10/7/2014, and had migrated all corrosion data from its Maximo platform to PCS/CPDM which has more advanced notifications and reporting functions.

If you have any questions regarding this response, please contact me at (270) 688-6497 or by email at Tina.Baker@bwpmlp.com.

Sincerely,

A handwritten signature in black ink that reads "Tina H. Baker". The signature is fluid and cursive, with the first name being the most prominent.

Tina H. Baker
Manager, Compliance Services