

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 4, 2018

Dean Gore
Vice President
Environmental and Regulatory Compliance
PAA Natural Gas Storage, LLC
333 Clay Street, Suite 1600
Houston, Texas 77002

CPF 4-2018-1010

Dear Mr. Gore:

From January 6, 2017 through June 27, 2017, 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 (U.S.C.) inspected the Pine Prairie Energy Center Pipeline System in Ville Platte, Louisiana.

Based on the results of the inspection, it is alleged that Plains All American Pipeline, L.P. (PAA) has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. **§192.805 Qualification program.**
Each operator shall have and follow a written qualification program. The program shall include provisions to:
 - (b) **Ensure through evaluation that individuals performing covered tasks are qualified.**

PAA failed to ensure through evaluation that eight individuals were qualified to perform six covered tasks.

First, two non-qualified employees performed Covered Task 55: Maintain Fixed Gas Detection Equipment to complete gas detector calibrations in 2014, 2015, and 2016. On February 11 and 17, 2014, August 12, 2014, February 18, 2015, May 13, 2015, March 15, 2016, and September 15, 2016, two non-qualified employees completed calibration tests of the gas detectors at the Pine Prairie Energy Center compressor station located at 1680 Ambrose Road in Ville Platte, LA.

Second, a non-qualified controller performed Covered Task 43.4/52.4: Remotely Operate Valves on Gas Pipeline System (Control Center) in 2015 and 2016. On July 27, 2015 and July 25, 2016, a non-qualified employee controller performed the ESD tests at the same Pine Prairie Energy Center station. Covered Task 43.4/52.4 requires a controller to operate various valves remotely and a technician to verify the proper position of the valve in the field. PAA uses this Covered Task to perform the annual ESD test. The controller's individual qualification on Covered Task 43.4 expired on May 9, 2015 and the controller did not requalify again until November 29, 2016. The two annual ESD tests were performed while the controller's qualification was expired.

For example three through six, five controllers performed Task 43.1: Start-up of a Liquid Pipeline (Control Center), Task 43.2: Shutdown of a Liquid Pipeline (Control Center), Task 43.3: Monitor Pressures, Flows, Communications and Maintain them within Allowable Limits on a Liquid Pipeline system (Control Center) and Task 43.4: Remotely Operate Valves on a Liquid Pipeline System (Control Center) in the time period January 2015 through December 2016. For the time period January 2015 through December 2016, it was noted that five controllers performed Tasks 43.1, 43.2, 43.3, and 43.4 on various times within the time span. According to the calendar year 2015 and 2016 Controller's Shift Schedule documentation, a qualified employee was not present to observe or direct these unqualified individuals in the control room

PAA failed to provide documentation for the qualification of employees to perform these six Covered Tasks. In all instances, in the absence of qualification, there were no qualified employees present to observe or direct the non-qualified individuals as required by PAA's OQ and CRM Plan.

The PHMSA inspector reviewed the qualification records for these six covered tasks, and found that the individuals were not qualified to perform the Covered Tasks on the aforementioned dates.

2. §192.611 Change in class location: Confirmation or revision of maximum allowable operating pressure.

(d) Confirmation or revision of the maximum allowable operating pressure that is required as a result of a study under §192.609 must be completed within 24 months of the change in class location. Pressure reduction under paragraph (a) (1) or (2) of this

section within the 24-month period does not preclude establishing a maximum allowable operating pressure under paragraph (a)(3) of this section at a later date.

PAA failed to confirm or revise their maximum allowable operating pressure (MAOP) within 24 months of a change in class location for a segment of Line 100 in Evangeline Parish, Louisiana as required by §192.611(d).

Plains' written Operations and Maintenance Manual, §192.609: Class Location Survey and Study (revised date 02-20-2017) section 5.6 states, "Confirmation or revision of the MAOP must be completed within 24 months of the change in class location, except in Louisiana the time period must be 18 months."

PAA experienced a change in class location for Line 100 (between stations 21+26 to 52+80) in March 2009. The area changed from Class 1 to Class 2 due to the development of a new trailer park. According to PAA records, the hoop stress corresponding to the established MAOP of the approximately 3,154 feet of pipe within the referenced segment was not commensurate with the present Class 2 location.

PAA did not reduce their MAOP from 1350 psig to 1219 psig until March 2017 which exceeded the 24-month period.

3. §192.605 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

PAA failed to follow the procedures listed in the Plains Natural Gas Storage Control Room Management Plan (October 2015; Revised: October 2016), Chapter 10: COMPLIANCE AND DEVIATIONS (CRM Plan) in recording acceptable deviations for controllers.

PAA's CRM Plan, Section 10.4: Acceptable Deviations states, "The following list provides deviations that may be required to ensure safe operation of the pipelines (all have the potential to result in hours of service or procedural deviations)

- Unscheduled Maintenance Activities
- SCADA Systems Upgrades Revision Outages

- AOC and Emergency Conditions”

Over a three-year period (January 2014 to December 2016), PAA repeatedly documented deviations from the maximum limit on controller hours of service using the PAA *F-192.631(j) Control Room Deviation Form*, listing “vacation relief,” “vacation/sick relief,” and “safety committee/training” as the reason/justification for the requested deviations. These deviations are not provided for in the CRM Plan.

In addition, PAA failed to follow their CRM Plan, Section 10.3: Deviations, which requires that documentation of all deviations must be available, including applicable analysis, to support any approved deviation. Based on the documentation PAA provided PHMSA inspectors, it appears that PAA failed to document any analysis of the frequency and cause of the emergency deviations over the three-year period (January 2014 to December 2016).

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists up to a maximum of \$2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 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 \$82,300 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$ 21,400
2	\$ 29,300
3	\$ 31,600

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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 190.211. 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 you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 4-2018-1010** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Mary L. McDaniel, P.E.
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

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