

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 23, 2018

Gary Koegeboehn
VP, Pipeline Operations
NuStar Pipeline Operating Partnership, L.P.
19003 IH-10 West
San Antonio, Texas 78257

CPF 4-2018-5022W

Dear Mr. Koegeboehn:

From November 2017 to May 2018, representatives 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 NuStar Pipeline Operating Partnership, L.P in Louisiana, Arkansas, Missouri, Iowa, Illinois, Indiana and Nebraska.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

1. **§195.402 Procedural manual for operations, maintenance, and emergencies**
 - (a) **General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**

NuStar failed to follow their written procedure 315-Valve Maintenance, Section 3.3 while performing valve inspections of valve #20-4, valve #8-2 off CR-GH Rd, and valve #7-6 South Avenue. NuStar's O&M Procedure 315 (Valve Maintenance), Section 3.3 (Mainline Valve Inspections), states: "perform the opening and closing of valves on active pipelines with the coordination of the Control Center."

While performing an Operator Qualification Check for covered Task CT-22-Inspect Valves, the PHMSA inspector noted that field personnel performing the valve operations operated the valves without the coordination and consent of the control center. NuStar personnel were unable to demonstrate notification procedures to appropriate personnel (Control Room) as required in the Function Test 22.4 of the CT22 – Inspect Valves Covered Task.

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. 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 NuStar 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 4-2018-5022W**. 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,

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