

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 20, 2018

Dean Gore
Vice President, Environmental & Regulatory Compliance
Plains All American Pipeline
333 Clay Street, Suite 1600
Houston, Texas 77002

CPF-4-2018-5027M

Dear Mr. Gore:

From May 7, 2018 to August 24, 2018, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (USC) inspected Plains Marketing's (Plains) Operations & Maintenance Procedures Manual for operations and maintenance (O&M) and the Facility Integrity Management Program (FIMP) Manual in Houston, Texas.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Plains Marketing plans or procedures, as described below:

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.

The Operator's Written Procedure Manual was found to be inadequate and must be amended to ensure that the manual reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to ensure that the manual is effective. The PHMSA inspector reviewed the Review of Procedure Effectiveness, Rev 1, August 2018. Section 1.2: Frequency states that each procedure shall be reviewed at least once every 7 years, or more frequently as determined by Division Environmental and Regulatory Compliance (E&RC) Directors. The PHMSA Inspector verified that the procedure has been implemented and received the email confirmation from the Operator.

Plains All American Pipeline's procedure must be amended to require written procedures for conducting normal operations and maintenance activities to be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to ensure that the manual is effective.

2. §195.452 Pipeline integrity management in high consequence areas.

(j) What is a continual process of evaluation and assessment to maintain a pipeline's integrity?

(5) Assessment methods. An operator must assess the integrity of the line pipe by any of the following methods. The methods an operator selects to assess low frequency electric resistance welded pipe or lap welded pipe susceptible to longitudinal seam failure must be capable of assessing seam integrity and of detecting corrosion and deformation anomalies.

(iv) Other technology that the operator demonstrates can provide an equivalent understanding of the condition of the line pipe. An operator choosing this option must notify OPS 90 days before conducting the assessment, by sending a notice to the address or facsimile number specified in paragraph (m) of this section.

Plains' Facility Integrity Management Program (FIMP) procedure was found to be inadequate and must be amended to include a requirement to submit an Integrity Management Program notification for the use of other technology as part of their assessment program. Section 5: Assessment Method Selection, Part 5.11: Other Technology does not include a requirement to notify the Office of Pipeline Safety (OPS) 90 days before conducting an assessment using other technology, other than in-line inspection, pressure testing, or external corrosion direct assessment for conducting assessments. Notifications must be made in accordance with §195.452(m).

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Plains All American maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Mary L. McDaniel, P.E., Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF-4-2018-5027M** 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*