

November 14, 2019

Ms. Farrah Lowe
Senior Vice President
Tres Palacios Gas Storage, LLC
811 Main Street, Suite 3400
Houston, Texas 77002

Re: CPF No. 4-2019-1006

Dear Ms. Lowe:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and finds that Tres Palacios Gas Storage, LLC has completed the actions specified in the Notice of Probable Violation and Proposed Compliance Order to comply with the pipeline safety regulations. Therefore, this case is now 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

Enclosures (Final Order and Notice of Probable Violation and Proposed Compliance Order)

cc: Ms. Mary McDaniel, Director, Southwest Region, Office of Pipeline Safety, PHMSA
Mr. Robert "Daubs" Thompson, IV, Vice President, Associate General Counsel,
Crestwood Midstream Partners, LP
Ms. Victoria Wagner, Vice President, Crestwood Midstream Partners, LP
Mr. David Hayden, Vice President, Storage and Transportation, Crestwood Midstream
Partners, LP
Ms. Alice Ratcliffe, Director, Pipeline Compliance, Crestwood Midstream Partners, LP

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

_____)
In the Matter of)

Tres Palacios Gas Storage, LLC,)

Respondent.)
_____)

CPF No. 4-2019-1006

FINAL ORDER

On May 17, 2019, pursuant to 49 C.F.R. § 190.207, the Director, Southwest Region, Office of Pipeline Safety (OPS), issued a Notice of Probable Violation (Notice) to Tres Palacios Gas Storage, LLC (Tres Palacios or Respondent). The Notice proposed finding that Respondent had violated the pipeline safety regulations in 49 C.F.R. Part 192 and proposed certain measures to correct the alleged violation. Respondent did not contest the allegation of violation or corrective measures, and completed all of the proposed compliance terms.¹

Based upon a review of all of the evidence, pursuant to § 190.213, I find Respondent violated the pipeline safety regulation listed below, as more fully described in the enclosed Notice:

49 C.F.R. § 192.631(b)(4) (**Item 2**) — Respondent failed to provide documentation for shift change process (POEMS) pursuant to Tres Palacios' written Control Room Management Manual, Section 204 R&Rs - Shift Change Information & Accountability [192.63 l(b)(4)] for the following days: February 22-31, 2018; March 8-14, 2018; and August 13, 2018.

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

The Director has indicated that Respondent completed the actions proposed in the Notice to correct the violation. Therefore, it is not necessary to include the proposed compliance terms in this Final Order.

¹ Crestwood Midstream Partners, LP (Crestwood), responded on behalf of Tres Palacios. Crestwood is the majority owner and operator of Tres Palacios. See <https://www.sec.gov/Archives/edgar/data/1136352/000119312514427119/d829654dex991.htm> (last accessed October 11, 2019).

WARNING ITEMS

With respect to Items 1 and 3, the Notice alleged probable violations of Part 192 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. § 192.465(d) **(Item 1)** — Respondent's alleged failure to take prompt remedial action to repair test lead wires found disconnected from the pipeline during its Annual Mitigation Surveys performed in 2015, 2016, and 2017.

49 C.F.R. § 192.903 **(Item 3)** — Respondent's alleged failure to include in its Gas Operation and Maintenance manual, Section 1.8.7 High Consequence Areas, the definitions of *Potential impact radius* (PIR) and *Identified Site* pursuant to § 192.903.

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

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

November 14, 2019

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued