

January 7, 2020

Mary L. McDaniel, P.E.  
Director, Southwest Region  
Pipeline and Hazardous Materials Safety Administration  
8701 S Gessner, Suite 630  
Houston, Texas 77074

RE: Golden Triangle Storage, Inc.  
Notice of Amendment CPF 4-2019-1012

Dear Ms. McDaniel,

On December 10, 2019 Golden Triangle Storage, Inc (GTS or Company) received the referenced Notice of Probable Violation (NOPV), CPF 4-2019-1012, issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA). The NOPV is a result of the January 7 through June 22, 2019 inspection that included GTS's records and procedures for damage prevention and public awareness at its storage facility in Beaumont, Texas. As a result of this inspection, PHMSA identified apparent inadequacies relative to 49 CFR §192.614 (Proposed Compliance Order) and §192.616 (Proposed Fine).

With respect to the 49 CFR §192.614(Damage Prevention Program or DPP) portion of the NOPV, the Company is not contesting the allegation, however the Company does feel that it is important to ensure the record is correct on the details of what is required by Texas Law.

The PHMSA inspector noted three issues. The first two were with respect to locate response and the use of positive response. PHMSA wrote, in part,

“GTS failed to follow section 3.3.1(D) of the DPP, which requires the GTS mark its pipeline within two working days (48 hours) after receiving a pipeline locate request. GTS’s received two pipeline locate tickets, numbered 1882417960 and 1882418774, on November 20, 2018, for work intended to commence on November 26, 2018. GTS was required by its procedures to mark its pipeline no later than November 22, however, GTS did not mark its pipeline until November 27, 2018.”

and

“GTS failed to follow sections 3.15.5(6) and 3.2.2(c) of its written DPP by failing to provide a positive response on the status of requested pipeline locate tickets.”

While the Company does agree that a positive response to the two requests for marking was not completed until approximately 8 AM on the morning of Tuesday November 27, 2018, GTS respectfully disagrees that the pipeline was required to be marked by November 22, 2018 as that was Thanksgiving Day. Under Texas law, the tickets have to be marked within 48 hours of receiving the ticket from the one-call center, excluding weekends and legal holidays. In 2018, Texas state holidays included Thanksgiving Day and the day after Thanksgiving. As a result, the tickets were required to be marked by 3:45 PM and 7:45 PM on Monday, November 26, 2018, not Thursday November 22. In addition, neither of the ticket locations were near GTS's pipeline, so the facilities were not at risk and the state requirement was to provide a positive response that the facilities were “clear”.

The remaining issue regarding the 49 CFR §192.614 portion of the NOPV related to the lack of complete documentation by GTS for certain locate tickets. The issues were relative to the actions taken by GTS for certain tickets and responses to others. The Company agrees with these findings.

In addition, in response to all of the findings associated with 49 CFR §192.614; please note the following actions taken by the Company since the inspection:

1. All Company personnel were trained by the Texas811 center on the Texas One-Call law and its requirements.
2. GTS is now using the positive response portal at the Texas811 center to document the actions taken by the Company for each locate ticket.

Based upon this training and the use of the positive response portal, GTS believes the documentation of the Company's response to excavation tickets will be improved. Total costs incurred by the Company associated with the training are estimated at \$2,800.

With respect to the portion of the NOPV associated with 49 CFR §192.616 (Public Awareness), we are respectfully contesting the allegation, but are not requesting a hearing.

The PHMSA inspector noted that;

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“...GTS failed to...conduct a program effectiveness review found in Section 8 of API RP 1162...every 4 years. At the time of the inspection, GTS had conducted an effectiveness review on June 18, 2014, and the subsequent effectiveness review was completed on July 10, 2019.”

GTS respectfully disagrees with this finding. As PHMSA is aware, API RP 1162 consists of “Plan-Do-Check-Act” process, i.e., prepare a plan, follow it, check the effectiveness, make any appropriate changes and repeat the cycle. Further, section 8.4.2 of API RP 1162, states, in part,

“Program effectiveness surveys are meant to validate the operator’s methodologies and the content of the materials used. Upon initial survey, improvements should be incorporated into the program based on the results. Once validated in this initial manner, a program effectiveness survey is only required about every four years.”

Lastly, Table 8-1 of API RP 1162 entitled “Summary of Baseline Evaluation Program” shows that the appropriate evaluation technique for the “[e]valuation of effectiveness of program implementation,” is a survey, no more than four years apart.

The Company had completed the effectiveness review or “Check” portion of the process by June of 2018, within 4 years of the June 2014 review. The effectiveness evaluation was conducted via surveys from January through June of 2018 after public educational material was disseminated over the preceding four years. All of the surveys received by GTS were available and the results were provided to the PHMSA inspector via the July 10, 2019 analysis of the results.

Title 49 CFR §192.616 (i) states that “the operator's program documentation and evaluation results must be available for periodic review by appropriate regulatory agencies,” the effectiveness review results, i.e., the survey data, was available at the time of the inspection as they were completed by June of 2018. Only the analysis or “Act” portion of the API RP 1162 process regarding implementation of the changes to the program was not completed until July 2019. The Company discussed this with the PHMSA inspector and was asked for the Company’s analysis of the effectiveness survey. This analysis was the document noted by the PHMSA Inspector in the NOPV where it states, in part:

“...GTS had conducted an effectiveness review in June 18, 2014, and the subsequent effectiveness review was completed on July 10, 2019.”

The Company’s interpretation of the code is that the July 10, 2019 analysis was not the

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effectiveness review; instead, the effectiveness review consisted of the surveys received by June of 2018 regarding the prior 4 years of public education.

That being said, the Company also recognizes that there should not be an undefined period of time between the effectiveness review and the ensuing analysis, therefore the Company is voluntarily updating its RP 1162 Program to require the completion of the analysis associated with a program effectiveness review within 6 months of the completion of the review(surveys). This update will be completed by the end of January 2020 and will be made available if desired.

This submittal should hopefully satisfy the finding and response requirements cited in your letter dated December 9, 2019 and allow for removal of the one portion of the NOPV with associated fine. If you require more information regarding CPF 4-2019-1012 or wish to discuss further, please feel free to contact me at (404) 584-3725.

Sincerely,



Stephen L. Wassell, PE  
Vice President  
Storage & Peaking Operations

CC: Ms. Kim Greene  
Mr. Jay Sutton  
Mr. Charles Rawson  
Mr. Don Carter  
Mr. Rick Lonn  
Mr. Jim Hotinger