

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 16, 2019

Greg McIlwain
Permian Express Partners, LLC.
Senior Vice President Operations
1300 Main Street
Houston, Texas 77002

CPF-4-2019-5003M

Dear Mr. McIlwain :

From December 12, 2017 to December 13, 2018, 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 your LOLA-Louisiana to Longview pipeline system.

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

1. §195.440 Public Awareness.

(a) Each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, see §195.3).

(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Permian Express (Sunoco/Energy Transfer) failed to include the LOLA asset in the Sunoco Pipeline L.P. Public Awareness Plan. Sunoco acquired the Permian Express (OPID-39596) asset in February 2017.

The Sunoco Pipeline L.P. Public Awareness Plan (rev. 3.6; last annual review May 23, 2016); page 6; Table 1-Introduction and Scope did not include The Permian Express Partners, LLC (OPID-39596) and therefore, does not include the LOLA pipeline system asset. The Plan also has not been reviewed since May 2016.

Permian Express must ensure that the Public Awareness Plan it follows include Permian Express Partners, LLC (OPID-39596) as a part of that plan and its assets.

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

(b) What program and practices must operators use to manage pipeline integrity? Each operator of a pipeline covered by this section must:

(1) Develop a written integrity management program that addresses the risks on each segment of pipeline in the first column of the following table not later than the date in the second column:

Permian Express (Sunoco/Energy Transfer) failed to ensure that the Integrity Management Plan included the LOLA pipeline system.

Permian Express was acquired by Sunoco/Energy Transfer in February 2017 and follows the Sunoco Logistics Pipeline Integrity Management Plan (Rev. 18; March 2017). The Integrity Management Plan was reviewed in March 2017. Page 5 of 68 of that plan, shows the pipeline systems covered by that Plan. The Permian Express (OPID-39596) is not listed. At the close of the inspection, the asset had not been included.

Permian Express must ensure that the Integrity Management Plan it follows includes Permian Express Partners, LLC (OPID-39596) as a part of that plan and its assets.

3. §195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a) Identify covered tasks;

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

(c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified;

Permian Express (Energy Transfer/Sunoco) failed to ensure that the Span of Control (SOC) adequately reflects the actual SOC for covered tasks performed by operator personnel.

Sunoco Pipeline & Affiliates Operator Qualification Plan (rev. 17; eff. September 25, 2017), OQ-Appendix C; does not set a limit for Span of Control (SOC) of OQ covered tasks. The plan notes that the SOC is situation specific and the maximum allowed direct observation limitation for any one covered task is 1 qualified individual to 5 nonqualified individuals. For example, Task No. 201 in Appendix C shows that there is no set limitation to the number of non-qualified individuals that an OQ Qualified individual can direct and observe and the maximum would be five (5). However, the Energy Transfer document (dated June 8, 2017) Training & Evaluation Guide (TEG) for Valve Inspections states that the Span of Control for this covered task is that 1 qualified person can supervise 3 unqualified people.

Permian Express must ensure that the Operator Qualification Plan – Appendix C; Qualification Frequency & Direct Observation Limitation (Span Of Control) directly reflects the SOC listed in the Training & Evaluation Guide for the covered tasks.

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 30 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 Permian Express Partners, LLC. 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, Director,

Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2019-5003M** 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*