

## NOTICE OF AMENDMENT

### **CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

July 2, 2019

John Warren  
Vice President Operations  
Delek Logistics Operating, LLC  
1001 School Street  
El Dorado, Arkansas 71730

**CPF 4-2019-5011M**

Dear Mr. Warren:

On multiple dates between December 5, 2017 and March 26, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Delek Logistics Operating, LLC's (Delek) procedures for maintenance and operation, integrity management, and control management in El Dorado, Arkansas.

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

1. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
  - (c) **Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**
    - (2) **Gathering of data needed for reporting accidents under subpart B of this part in a timely and effective manner.**

Delek's procedure for "Immediate Notice of Certain Accidents" was found to be inadequate. The procedure failed to state that immediate notice of events described in §195.52(a) will be made no later than one hour after confirmed discovery.

Also, Delek's procedure did not state that within 48 hours after the confirmed discovery of an accident, to the extent practicable, an operator must revise or confirm its initial telephonic notice as required by §195.52(d).

Delek's O&M manual LTP-OP-070.01 (Revision date: March 30, 2016), Sections 6.2 and 6.3.7 states:

*"Telephonic notices of an accident by the operator are required at the earliest possible moment within (2) hours after discovery of a release of a hazardous liquid in any of the events described below. Notice is required for any of the following failures."*

*"At the earliest practicable moment an additional telephonic report to NRC should be made if significant new information becomes available during the emergency response phase of an event"*

Delek must amend Sections 6.2 and 6.3.7 of their O&M manual LTP-OP-070.00 to address the requirements of 195.52 (a) and (d).

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

**(h)(1) General requirements.** An operator must take prompt action to address all anomalous conditions the operator discovers through the integrity assessment or information analysis. In addressing all conditions, an operator must evaluate all anomalous conditions and remediate those that could reduce a pipeline's integrity. An operator must be able to demonstrate that the remediation of the condition will ensure the condition is unlikely to pose a threat to the long-term integrity of the pipeline. An operator must comply with §195.422 when making a repair.

**(ii) Long-term pressure reduction.** When a pressure reduction exceeds 365 days, the operator must notify PHMSA in accordance with paragraph (m) of this section and explain the reasons for the delay. An operator must also take further remedial action to ensure the safety of the pipeline.

Delek's written Integrity Management procedure for "Notification to OPS" was found to be inadequate. The Integrity Management plan failed to include the requirement to notify PHMSA when a pressure reduction exceeds 365 days as required by 195.452(b)(1)(ii).

Delek's Integrity Management plan (Revision date: December 17, 2013), Section 6.7, states:

*“General: Required notifications to the OPS will be submitted for the following reasons:*

- *Intent to use technology other than ILI or hydrotesting to perform an assessment*
- *Inability to meet required remediation schedule*
- *Re-assessment interval to exceed 5 years.”*

Delek must amend the procedure contained in Section 6.7 of its Integrity Management plan, to include the requirement to notify PHMSA when a pressure reduction exceeds 365 days.

**3. §195.402 Procedural manual for operations, maintenance, and emergencies.**

**(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**

**(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

Delek's O&M procedure LTP-OP-117.00 “Repair Criteria Outside §195.452 Regulated Areas” was found to be inadequate. The O&M procedure did not state what repair method would be applied to address anomalous conditions discovered through integrity assessment or information analysis.

Delek's O&M manual LTP-OP-117.00 (Revision date: March 29, 2016), Section 6.0 states:

*“..... Segments of pipes that are assessed by means of inline inspection device (ILI) but not subject to part §195.452 rules shall be evaluated to determine if there are any threats to the pressure containing capability of the pipe, both immediate and future....”*

Delek's process did not identify any acceptable method that reliable engineering test and analyses show can permanently restore the serviceability of the pipe, both in HCA and non-HCA areas. Under §195.452(h)(1), an operator must be able to demonstrate that the remediation of the condition will ensure that the condition is unlikely to pose a threat to the long-term integrity of the pipeline. Also, §195.585(a)(2) requires a process to repair the pipe by a method that reliable engineering tests and analyses show can permanently restore the serviceability of the pipe.

Delek must amend Section 6.0 of its O&M procedure (LTP-OP-117.00), to include list of identified acceptable repair methods that are appropriate for each type of defect, both in HCA and non-HCA regulated areas.

4. **§195.403 Emergency response training.**

**(a) Each operator shall establish and conduct a continuing training program to instruct emergency response personnel to:**

**(1) Carry out the emergency procedures established under 195.402 that relate to their assignments;**

**(2) Know the characteristics and hazards of the hazardous liquids or carbon dioxide transported, including, in case of flammable HVL, flammability of mixtures with air, odorless vapors, and water reactions;**

**(3) Recognize conditions that are likely to cause emergencies, predict the consequences of facility malfunctions or failures and hazardous liquids or carbon dioxide spills, and take appropriate corrective action;**

**(4) Take steps necessary to control any accidental release of hazardous liquid or carbon dioxide and to minimize the potential for fire, explosion, toxicity, or environmental damage; and**

**(5) Learn the potential causes, types, sizes, and consequences of fire and the appropriate use of portable fire extinguishers and other on-site fire control equipment, involving, where feasible, a simulated pipeline emergency condition.**

**(b) At the intervals not exceeding 15 months, but at least once each calendar year, each operator shall:**

Delek failed to establish an adequate procedure for conducting a continuing training program to instruct their emergency response personnel on how to carry out the emergency procedures established under §195.402 that relates to their assignments.

Delek's O&M manual LTP-OP-113, Section 6.0 (Issue date: February 11, 2015) states:

*".... The program addresses operation, maintenance, and emergency procedures, knowledge of liquids being transported and hazardous conditions these liquids could cause, recognizing conditions that could cause emergencies or malfunctions and corrective actions needed in cases of malfunctions of any kind along the pipeline..."*

The procedure stated in Section 6.0 of Delek's personnel training manual, LTP-OP 113 lacks specificity on how emergency response personnel are being trained to carry out the emergency response procedures that relates to their assignments. Delek must amend its procedure to include a detailed process for training emergency response personnel to carry out the emergency response procedures that relates to their assignments.

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 Delek 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 4-2019-5011M** 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*