



Delek Logistics Partners, LP

Delek Logistics Partners, LP
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December 13, 2019

Ms. Mary McDaniel
Director
Southwest Region
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration (PHMSA)
8701 S Gessner Rd, Suite 630
Houston, Texas 77074

RE: CPF No. 4-2019-5018, Notice of Probable Violation and Proposed Civil Penalty

Dear Director McDaniel,

Delek Crude Logistics is writing in response to the referenced Notice of Probable Violation and Proposed Civil Penalty received November 15, 2019, stemming from PHMSA's December 2018 through June 2019 pipeline safety inspection of Delek's idle Healdton to Yantis pipeline in Oklahoma and Texas.

For reference, the allegations of the Notice of Probable Violation are listed individually below and followed by Delek's responses.

1. *§ 195.61 National Pipeline Mapping System.*

Delek failed to submit National Pipeline Mapping System data for its 143 mile Healdton to Yantis, 8" pipeline system to PHMSA on or before June 15, 2018, for calendar year 2017 as required by § 195.61(b).

Delek did not submit the required information until June 13, 2019, one year beyond the submittal date for calendar year 2017.

Please be advised that Delek Crude Logistics contests the allegation that a timely submission was not made to NPMS for the calendar year 2017. Attached is an excerpt from PHMSA's Pipeline Data Mart (Attachment 5018-1A) which identifies the NPMS submission being completed on June 14, 2018. The subject Healdton to Yantis pipeline is the only interstate pipeline in Texas and Oklahoma operated under OPID 26061.

2. *§ 195.64 National Registry of Pipeline and LNG Operators*

Delek failed to notify PHMSA within 60 days of the acquisition of an existing pipeline facility as required by § 195.64(c)(2). Delek purchased the Healdton to Yantis, 8" pipeline from Plains Pipeline on September 15, 2017 (Notification D-20171114-17567). Delek was required under § 195.64(c)(2) to file a notice of acquisition within 60 days. The 60 day filing by Delek should have occurred no later than November 14, 2017. As of the date of this letter, Delek has not filed the notification.

Delek Crude Logistics does not contest the allegation that a National Registry notification was not made by the date of PHMSA's letter. Appropriate annual reports and NPMS submissions have been made since the line was acquired in 2017. Additionally, a registry notification has subsequently been submitted. As such, Delek Crude Logistics respectfully requests PHMSA to consider reduction of the civil penalty associated with the noted reporting error.

3. *§ 195.412 Inspection of rights-of-way and crossings under navigable waters.*

Delek failed to inspect the surface conditions on and adjacent to its pipeline right-of-way at intervals not exceeding 3 weeks, but at least 26 times each calendar year as required by § 195.412(a).

During the PHMSA inspection, Delek provided only 19 records for calendar year 2018, 7 less than the required 26 minimum. Delek personnel were not able to provide the remaining records or provide information regarding the lack of the required record. There is therefore no evidence that Delek conducted the missing 7 inspections).

Delek Crude Logistics does not contest the allegation.

4. *§ 195.440 Public awareness.*

Delek's written Public Awareness Program (PAP) failed to follow the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 in 6 areas as required by § 195.440(a). Delek's PAP was inadequate because it failed to follow general program recommendations of API 1162 as required in Sections 2, 3, 6, and 8.

Delek Crude Logistics does not contest the allegation. Delek's Public Awareness Plan is being revised to reference the noted API 1162 guidance. The plan revisions will be completed by December 31, 2019.

5. § 195.583 What must I do to monitor atmospheric corrosion control?

Delek failed to conduct an inspection of each pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, but with intervals not exceeding 39 months.

Delek acquired the Healdton to Yantis, 8" pipeline system in September 2017. During the PHMSA inspection, records of atmospheric corrosion inspections were requested; however, Delek representatives stated that no atmospheric corrosion inspections had been conducted and could find no records to show the previous operator had conducted the inspection. The Delek Hazardous Liquids Operations & Maintenance Manual (OM-ADM- 195); Section 14-Atmospheric Corrosion; 14.5.4.2 notes the requirement for the inspection as "Onshore pipelines exposed to the atmosphere are inspected every 3 years at intervals not exceeding 39 months for signs of corrosion as described in Delek Logistics Corrosion Control Manual. Delek Logistics personnel must record atmospheric corrosion inspections on Appendix 14.2, Atmospheric Corrosion Inspection Report. There is therefore no evidence that Delek inspected the pipeline for evidence of atmospheric corrosion.

Delek Crude Logistics does not contest this allegation. Atmospheric corrosion inspection records from the previous operator were not available. Atmospheric corrosion inspections for all exposed piping has been performed by Delek in 2019.

Delek Logistics remains committed to working cooperatively with your office with the ultimate goal of further enhancing the safety of our operations. Please feel free to contact me directly, or Michael Sanders (630-649-8016) should you have any questions pertaining to this matter.

Sincerely,

DocuSigned by:

Michael Odigie

12/13/2019

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Michael Odigie,

Vice President, Asset Integrity