

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 20, 2019

Kresha Sivinski
General Manager Terminals & Pipeline
Citgo Products Pipeline Co.
1293 Eldridge Parkway
Houston, Texas 77077

CPF 4-2019-5020W

Dear Kresha Sivinski:

From February 21, 2018 through August 30, 2018, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your Lakemont Pipeline System in Texas and Louisiana.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

1. §195.505 Qualification program.

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

(a) Identify covered tasks;

Citgo failed to identify grinding to repair pipe defects as a covered task. Grinding was used as a repair method for two pipe repairs on the Lakemont Pipeline System in 2016.

PHMSA personnel reviewed two pipe repair records in 2016 which noted the used of grinding to repair defects on the pipe. Citgo's covered task list titled *Appendix A1 Covered Task List* did not include a covered task which covered grinding as a repair method. An appropriate covered task was added to the covered task list as task 42.7 "Removal of Pipeline Defects by Grinding" prior to the completion of this inspection.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Citgo Products Pipeline Co. being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2019-5020W**. 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).

Sincerely,

Mary L. McDaniel, P.E.
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration