

**NOTICE OF PROBABLE VIOLATION  
and  
PROPOSED COMPLIANCE ORDER**

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

September 30, 2020

Mark Oliver  
Executive Vice President of Operations  
Tristate NLA, LLC  
9901 Valley Ranch Pkwy E Suite 2000  
Irving, Texas 75063

**CPF 4-2020-006-NOPV**

Dear Mr. Oliver:

During the period of March 6, 2020 through July 23, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 Title of 49 United States Code (U.S.C.), inspected Tristate NLA, LLC (Tristate) interstate gas gathering pipeline procedures, records, and facilities in Texas and Louisiana.

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

1. **§ 191.17 Transmission systems; gathering systems; liquefied natural gas facilities; and underground natural gas storage facilities: Annual report.**

**(a) *Transmission or Gathering.* Each operator of a transmission or a gathering pipeline system must submit an annual report for that system on DOT Form PHMSA 7100.2.1. This report must be submitted each year, not later than March 15, for the preceding calendar year, except that for the 2010 reporting year the report must be submitted by June 15, 2011.**

Tristate failed to submit DOT Form PHMSA 7100.2-1 for calendar year 2019 for its gas gathering system as required by March 15, 2020. Tristate submitted the required annual report on April 20, 2020 (36 days late).

2. **§ 191.22 National Registry of Pipeline and LNG operators.**

(a) . . .

(c) **Changes.** Each operator of a gas pipeline, gas pipeline facility, underground natural gas storage facility, LNG plant, or LNG facility must notify PHMSA electronically through the National Registry of Pipeline, Underground Natural Gas Storage Facility, and LNG Operators at <http://opsweb.phmsa.dot.gov> of certain events.

(1) . . .

(2) **An operator must notify PHMSA of any of the following events not later than 60 days after the event occurs:**

(i) . . .

(iv) **The acquisition or divestiture of 50 or more miles of a pipeline or pipeline system subject to Part 192 of this subchapter;**

Tristate failed to file a Type D, acquisition notification, to the National Registry of Pipeline and LNG operators for approximately 100.47 miles of a gas transmission pipeline purchased from Gulf South no later than 60 days following acquisition in accordance with §191.22(c)(2)(iv).

Tristate acquired gas transmission pipeline assets from Gulf South on May 1, 2019. Following the acquisition, Tristate obtained a new OPID from PHMSA on June 26, 2019. During PHMSA's inspection of available records, it was determined that the required Type D notification was not received until February 12, 2020. Tristate submitted its Type D acquisition notice 196 days later than required by the time frame specified in §191.22(c)(2)(iv).

3. **§ 192.615 Emergency plans.**

(a) . . .

(c) **Each operator shall establish and maintain liaison with appropriate fire, police, and other public officials to:**

(1) **Learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency;**

(2) **Acquaint the officials with the operator's ability in responding to a gas pipeline emergency;**

(3) **Identify the types of gas pipeline emergencies of which the operator notifies the officials; and**

(4) **Plan how the operator and officials can engage in mutual assistance to minimize hazards to life or property.**

Tristate failed to establish and maintain liaisons with all appropriate emergency responders and other public officials in accordance with §192.615(c)(2). Tristate is required to learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency and acquaint the public officials with Tristate's ability to respond to a gas pipeline emergency as it traverses Caddo Parish, Louisiana and Panola County, Texas.

During the PHMSA inspection it was learned that while Tristate established liaison with emergency officials in Caddo Parish, Louisiana, they failed to provide records demonstrating the established liaison with emergency officials in Panola County, Texas.

On July 23, 2020, PHMSA verified that Tristate established the liaison with the Panola County Emergency Official and the contact information for the emergency officials had been added to the operator's emergency procedure.

4. **§ 192.805 Qualification program.**

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

**(a) . . .**

**(i) After December 16, 2004, notify the Administrator or a state agency participating under 49 U.S.C. Chapter 601 if the operator significantly modifies the program after the administrator or state agency has verified that it complies with this section. Notifications to PHMSA may be submitted by electronic mail to *InformationResourcesManager@dot.gov*, or by mail to ATTN: Information Resources Manager DOT/PHMSA/OPS, East Building, 2nd Floor, E22-321, New Jersey Avenue SE., Washington, DC 20590.**

Tristate failed to notify PHMSA of significant modifications to OQ program after the Administrator had verified that it complied with § 192.805. Specifically, Tristate failed to notify PHMSA of any acquisition changes to its OQ plan due to its acquisition of Gulf South pipeline on May 1, 2019.

While reviewing records, the PHMSA inspector found that Tristate did not review and update its OQ program after the acquisition of Gulf South pipeline or make any changes to the program. Furthermore, the PHMSA inspector's review of Tristate's OQ program revealed that Tristate did not list merger and/or acquisition changes in Section 5.1.1 of its OQ program as a significant modification that would warrant notification to PHMSA under § 192.805(i).

### Warning Items

With respect to items 1, 2 and 3, 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 promptly correct these items. Failure to do so may result in additional enforcement action.

### Proposed Compliance Order

With respect to item 4, pursuant to 49 U.S.C. §60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Tristate NLA, LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

### Response to this Notice

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. All material you submit in response to this enforcement action may be 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, or request a hearing under 49 CFR §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 a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 4-2020-006-NOPV**. Additionally, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosures: *Proposed Compliance Order*  
*Response Options for Pipeline Operators in Enforcement Proceedings*

## PROPOSED COMPLIANCE ORDER

Pursuant to 49 U.S.C. §60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Tristate NLA, LLC (Tristate) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Tristate with the pipeline safety regulations:

1. In regards to Item Number 4 of the Notice pertaining to Tristate's written Operator Qualification Plan, Section 5.1.1, *Method of Communication* (Revision date November 18, 2013), Tristate failed to specify mergers and acquisitions of an asset as a significant change; therefore, Tristate must amend or supplement its OQ plan to list merger and/or acquisition changes in Section 5.1.1.
2. Tristate must complete item 1 within 30 days of receipt of the Final Order.

It is requested (not mandated) that Tristate NLA, LLC maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mary McDaniel, Director, Southwest, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.