



U.S. Department of Transportation  
**Pipeline and Hazardous Materials  
Safety Administration**

8701 S. Gessner, Suite 630  
Houston TX 77074

## NOTICE OF AMENDMENT

### **ELECTRONIC MAIL - RETURN RECEIPT REQUESTED**

December 22, 2020

Michael Morgan  
Vice President Operations & Engineering  
Centurion Pipeline L.P.  
3600 W. Sam Houston Pkwy, Suite 500  
Houston, Texas 77042

**CPF 4-2020-017-NOA**

Dear Mr. Morgan:

From April 6, 2020 through September 11, 2020, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected Centurion Pipeline L.P.'s (Centurion) procedures for operations and maintenance in Houston, Texas.

Based on the inspection, PHMSA has identified the apparent inadequacies found within Centurion's plans or procedures, as described below:

1. **§ 195.402 Procedural manual for operations, maintenance, and emergencies.**
  - (a) **General.** Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. . .
- § 195.64 National Registry of Operators.**
  - (a) ...
  - (c) **Changes.** Each operator must notify PHMSA electronically through the National Registry of Operators at <https://portal.phmsa.dot.gov>, of certain events.
    - (1) An operator must notify PHMSA of any of the following events not later than 60 days before the event occurs:

**(i) Construction or any planned rehabilitation, replacement, modification, upgrade, uprate, or update of a facility, other than a section of line pipe, that costs \$10 million or more. If 60 day notice is not feasible because of an emergency, an operator must notify PHMSA as soon as practicable;**

**(ii) Construction of 10 or more miles of a new or replacement hazardous liquid or carbon dioxide pipeline;**

**(iii) Reversal of product flow direction when the reversal is expected to last more than 30 days. This notification is not required for pipeline systems already designed for bi-directional flow; or**

**(iv) A pipeline converted for service under § 195.5, or a change in commodity as reported on the annual report as required by § 195.49.**

Centurion's procedure *P-195.64: Pipeline Construction and National Registry of Pipelines* (revised July 2019) is inadequate because it does not include the requirements 49 CFR § 195.64(c)(1)(iii) and (iv) in the procedure.

The *P-195.64: Pipeline Construction and National Registry of Pipeline Operators* procedure steps state:

- “3. Notify PHMSA electronically through the National Registry of Pipeline and LNG Operators at <http://opsweb.phmsa.dot.gov> of any of the following events:
  - a. Not later than 60 days before the following occurs:
    - i. Construction or any planned rehabilitation, replacement, modification, upgrade, uprate, or update of a facility, other than a section of line pipe, that costs \$10 million or more. If 60 days notice is not feasible because of emergency, an operator must notify PHMSA as soon as practicable;
    - ii. Construction of 10 or more miles of a new hazardous liquid pipeline; or
    - iii. Construction of a new pipeline facility
  - b. Not later than 60 days after the following occurs:
    - i. A change in the primary entity responsible (i.e. with assigned OPID) for managing or administering a safety program required by this part covering pipeline facilities operated under multiple OPIDs.
    - ii. A change in the name of the operator;
    - iii. A change in the entity (e.g. company, municipality) responsible for operating an existing pipeline, pipeline segment, or pipeline facility;
    - iv. The acquisition or divestiture of 50 or more miles of pipeline or pipeline system subject to this part; or
    - v. The acquisition or divestiture of an existing pipeline facility subject to this part.”

The Centurion procedure does not include a provision that would require Centurion to notify PHMSA of the reversal of product flow direction when the reversal is expected to last more than 30 days and when a pipeline converted for service under § 195.5, or a change in commodity as reported on the annual report as required by § 195.49. Centurion must revise its procedure, *P-195.64: Pipeline Construction and National Registry of Pipelines* to comply with 49 CFR § 195.64(c)(1).

2. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) *General.* Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. . .

§ 195.403 Emergency response training.

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

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

(1) Review with personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) of this section;

Centurion’s procedure *P-195.403: Emergency Response Training, Personnel Training on Emergency Response* (revised July 2019) is inadequate because it does not define the required frequency for the review of its personnel performance in meeting the objectives of the emergency response training program set forth in § 195.403(a).

Centurion’s procedure *P-195.403: Emergency Response Training, Personnel Training on Emergency Response* (revised July 2019) states:

“Emergency Response actions and training will be discussed during site safety reviews and documented on the Job Safety Analysis. Potential response actions may include the following:

- 1) Location and operation of block valve
- 2) Importance and urgency of performing duties for the protection of life first and then property
- 3) How to make the system safe from an actual or potential hazard to life or property
- 4) Functions of local fire, police and other agencies and how to cooperate with them in an emergency.”

According to the procedure, Emergency Response training would occur during site safety reviews, but there is no indication at what intervals those reviews would occur and whether they would occur within the required interval under § 195.403(b). Centurion must revise its procedure *P-195.403: Emergency Response Training* to explicitly define the required frequency of reviewing their personnel’s performance in its procedure.

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

(a) . . .

(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:

(1) . . .

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

## § 195.591 In-Line inspection of pipelines

**When conducting in-line inspection of pipelines required by this part, each operator must comply with the requirements and recommendations of API Std 1163, Inline Inspection Systems Qualification Standard; ANSI/ASNT ILI-PQ, Inline Inspection Personnel Qualification and Certification; and NACE SP0102-2010, Inline Inspection of Pipelines (incorporated by reference, see § 195.3). An in-line inspection may also be conducted using tethered or remote control tools provided they generally comply with those sections of NACE SP0102-2010 that are applicable.**

Centurion’s Integrity Management (IM) procedure is inadequate because it does not include a process for the qualification of in-line inspections, including personnel, equipment, processes, and software utilization within the procedures. Specifically, the procedures do not require compliance with the requirements and recommendations of API 1163 – Inline Inspection System Qualification Standard; ANSI/ASNT ILI-PQ – Inline Inspection Personnel Qualification and certification; and NACE SP0102-2010 – Inline Inspection of Pipelines.

Section 2 of Centurion’s IM procedure (Rev. 9, June 2020) states:

“6. Personnel Qualifications and Training: Sufficient number of qualified personnel, including employees and Contractors, will be available to respond to Program needs.”

Centurion must amend Section 2 of its IM procedure to include adequate in-line inspection requirements for the qualification of in-line inspection systems, including personnel, equipment, processes, and software utilization.

### 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 Centurion Pipeline, L.P. 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 McDaniel, Director, Southwest region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2020-017-NOA**, 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*

cc: Cutty Cunningham, DOT Compliance/Director of Integrity, Centurion Pipeline,  
[cutty\\_cunningham@centurionpl.com](mailto:cutty_cunningham@centurionpl.com)