

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

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

November 5, 2020

Dean Gore
Vice President Environmental & Regulatory Compliance
Plains Pipeline, L.P.
333 Clay Street, Suite 1600
Houston, Texas 77002

CPF 4-2020-5013

Dear Mr. Gore:

From January 28, 2019 through November 13, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your Plains Pipeline, L.P. (Plains) procedures and facilities in Houston and Midland, Texas; Cushing, Oklahoma; parts of New Mexico, and Missouri.

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. **§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. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**

Plains Pipeline. L.P. (Plains) failed to follow its written procedure for inspecting mainline block valve transmitters. Section 1.3 of Plains' Overpressure Safety Devices procedure requires the devices to be tested at least once each calendar year, not to exceed 15 months. This procedure references and supports another Plains procedure titled Inspect Calibrate and Maintain Overpressure Safety Devices which provides the steps under Section 2.1.2 for the testing of pressure transmitters.

PHMSA inspectors reviewed of the inspection records, which showed that Plains failed to follow its written procedure in Section 1.3. Specifically, Plains failed to inspect 21 pressure transmitters on the Caddo pipeline system for the 2017 calendar year. The inspection records showed that both the upstream and downstream pressure transmitters for MOV 101, 102, 103, 104, 105, 109, 113, 118, 801,120 and the incoming pressure transmitter for MOV 880 were inspected in the 2016 calendar year, but were not re-inspected until the 2018 calendar year. Therefore, Plains failed to follow its written procedure to inspect mainline block valve transmitters at least once each calendar year, not to exceed 15 months.

2. §195.430 Firefighting equipment

Each operator shall maintain adequate firefighting equipment at each pump station and breakout tank area. The equipment must be-

- (a) In proper operating condition at all times;**
- (c) Located so that it is easily accessible during a fire.**

Plains failed to have a firefighting equipment located at the Stockholm station and breakout tank facility so that it would be easily accessible during a fire. During the field inspection of the Stockholm station and breakout tank facility, the PHMSA inspector did not observe firefighting equipment that was located and easily accessible within the premises. Section 1 of Plains' Firefighting Equipment Procedure (Revision 2; January 2019) requires the use of fire extinguishers for firefighting in the incipient fire stages. Also, Section 2.2 of the same procedure requires that the firefighting equipment be marked and located so that it can be easily accessible during a fire.

Upon PHMSA' departure from the site, Plains personnel called to state they had located the fire extinguisher somewhere inside the building that had been searched while PHMSA was on site. Plains also stated that it maintains fire extinguishers in all personnel vehicles as required by their procedure. However, §195.430 is specific to having the firefighting equipment located at the site location of a pump station or breakout tank facility. Therefore, the location of the firefighting equipment was not accessible at the Stockholm station and breakout tank facility at the time of PHMSA's inspection.

3. §195.589 What corrosion control information do I have to maintain

(a) You must maintain current records or maps to show the location of—

(1) Cathodically protected pipelines;

(2) Cathodic protection facilities, including galvanic anodes, installed after January 28, 2002; and

(3) Neighboring structures bonded to cathodic protection systems.

(c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to Secs. 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.

Plains failed to maintain records in sufficient detail to demonstrate the adequacy of its corrosion control measures or that corrosion requiring control measures does not exist on the Hagerman to Lynch 16” pipeline. First, Plains’ ‘Data Gathering for Reactivating or Operational Changes on PAALP Pipelines’ document from June 2018 indicated that 52 pipeline exposures were identified from a close interval survey carried out in 2013. However, Plains was unable to provide any records to demonstrate that there is no corrosion requiring control measures or that the 52 exposure conditions had been remediated.

Second, Plains failed to maintain records of annual inspections carried out on the cathodic protection system on Tank 201. During the field inspection, it was determined there was cathodic protection on the tank bottom, but no pipe to soil survey records were provided for the cathodic protection monitoring. Plains was unable to provide any records demonstrating that cathodic protection inspections had been conducted on Tank 201 for the period from 2012 through November 2019. Therefore, Plains failed to maintain records in sufficient details to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist as required by §195.589(c).

Warning Items

With respect to items 1 and 2 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 items 3 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Plains Pipeline L.P. 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 Enforcement 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 4-2020-5013** 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

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

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Plains Pipeline, L.P. (Plains) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Plains Pipeline with the pipeline safety regulations:

- A. In regard to Item number 3 of the Notice pertaining to 52 exposed portions on the Hagerman to Lynch 16" line identified during a close interval survey conducted in 2013, Plains must review these conditions to ensure that no corrosion requiring control measures exist and where conditions requiring control measures exist, must submit a remedial plan within **30** days of receipt of the Final Order.
- B. In regard to Item number 3 also of the Notice pertaining to failure to provide cathodic protection monitoring records for breakout tank 201, Plains must provide records of cathodic protection monitoring for 2019 and 2020 within **30** days of receipt of the Final Order.
- C. It is requested (not mandated) that Plains maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mary L. McDaniel, Director, Southwest Region, 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.