

December 29, 2015

Mr. Steve Magness
Director of Operations
Cogent Energy Solutions, LLC
3100 Timmons Lane, Suite 210
Houston, TX 77027

Re: CPF No. 5-2014-6004

Dear Mr. Magness:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and finds that Cogent Energy Solutions, LLC has completed the actions specified in the Notice to comply with the Pipeline Safety Regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Director, Western Region, OPS

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

_____)	
In the Matter of)	
)	
Cogent Energy Solutions, LLC,)	CPF No. 5-2014-6004
)	
Respondent.)	
_____)	

FINAL ORDER

On September 10, 2014, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Cogent Energy Solutions, LLC (Cogent or Respondent) in Casper, Wyoming. The Casper Crude to Rail Terminal pipeline is a 6.9 mile, 24-inch hazardous liquid pipeline that delivers crude oil from the Spectra Express Pipeline to storage tanks adjacent to a rail facility. This pipeline is jointly owned by CTRAN, LLC,¹ Cogent Energy Solutions, LLC, and Stonepeak Infrastructure Partners.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated September 17, 2014, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Cogent violated 49 C.F.R. §§ 195.402, 195.440 and 194.101, and 199.101 and proposed ordering Respondent to take certain measures to correct the alleged violations.

Cogent responded to the Notice by letter dated November 13, 2014 (Response). The company did not contest the allegations of violation but provided information concerning the corrective actions it had taken and stated that copies of its revised procedures would be submitted by December 15, 2014. Respondent did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

In its Response, Cogent did not contest the allegations in the Notice that it violated 49 C.F.R. Part 194, Part 195, and Part 199, as follows:

¹ Granite Peak Development, LLC is a real estate development company.

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.402, which states in relevant part:

§ 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.

The Notice alleged that Respondent violated 49 C.F.R. § 195.402 by failing to prepare and follow a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies for its crude oil pipeline system. Specifically, the Notice alleged that, at the time of inspection, Cogent's procedural manual failed to cover specific operations, maintenance, or emergency procedures, as required by 49 C.F.R. § 195.402

Respondent did not contest this allegation of violation.

Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.402(a) by failing to prepare and follow for its crude oil pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 195.440, which states in relevant part:

§ 195.440 Public Awareness.

(a) Each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, *see* § 195.3).

The Notice alleged that Respondent violated 49 C.F.R. § 195.440(a) by failing to develop and implement a written continuing public education program that follows the guidance provided in the API's RP 1162. Specifically, the Notice alleged that, at the time of the inspection, Cogent did not have an active program that comported with API RP 1162.

Respondent did not contest this allegation of violation.

Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.440(a) by failing to develop and implement a written continuing public education

program that follows the guidance provided in the API's RP 1162.

Item 3: The Notice alleged that Respondent violated 49 C.F.R. § 194.101, which states in relevant part:

§ 194.101 Operators required to submit plans.

(a) Except as provided in paragraph (b) of this section, unless OPS grants a request from an Federal On-Scene Coordinator (FOSC) to require an operator of a pipeline in paragraph (b) to submit a response plan, each operator of an onshore pipeline facility shall prepare and submit a response plan to PHMSA as provided in § 194.119. A pipeline which does not meet the criteria for significant and substantial harm as defined in § 194.103(c) and is not eligible for an exception under § 194.101(b), can be expected to cause substantial harm. Operators of substantial harm pipeline facilities must prepare and submit plans to PHMSA for review.

The Notice alleged that Respondent violated 49 C.F.R. § 194.101(a) by failing to prepare and submit a response plan to PHMSA as provided in § 194.119. Specifically, the Notice alleged that, at the time of the inspection, Cogent had not submitted any plan to PHMSA for review. Respondent did not contest this allegation of violation.

Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 194.101(a) by failing to prepare and submit a response plan PHMSA, as provided in 194.119.

Item 4: The Notice alleged that Respondent violated 49 C.F.R. § 199.101, which states in relevant part:

§ 199.101 Anti-drug plan.

(a) Each operator shall maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT procedures. The plan must contain:

- (1) Methods and procedures for compliance with all the requirement of this part, including the employee assistance program;
- (2) The name and address of each laboratory that analyzes the specimens collected for drug testing;
- (3) The name and address of the operator's Medical Review Officer, and Substance Abuse Professional; and
- (4) Procedures for notifying employees of the coverage and provisions of the plan.

The Notice alleged that Respondent violated 49 C.F.R. § 199.101(a) by failing to maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT procedures. Specifically, the Notice alleged that, at the time of the inspection, Cogent did not have any plan that conformed to the requirements of 49 C.F.R. § 199.101(a).

Respondent did not contest this allegation of violation.

Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 199.101(a) by failing to maintain and follow a written anti-drug plan that conforms to the requirements of this part and the DOT procedures.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a Compliance Order with respect to Items 1, 2, 3 and 4 in the Notice for violations of 49 C.F.R. §§ 195.402(a), 195.440(a), 194.101(a), and 199.101(a), respectively. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicates that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 195.402(a) (**Item 1**), Respondent has prepared an O&M Manual that fully describes procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies.
2. With respect to the violation of § 195.440(a) (**Item 2**), Respondent has developed and implemented a written continuing public education program that follows the guidance provided in the American Petroleum Institute (API).
3. With respect to the violation of § 194.101(a) (**Item 3**), Respondent has prepared and submitted a response plan to PHMSA, as provided in § 194.119.
4. With respect to the violation of § 199.101 (**Item 4**), Respondent has maintained and followed a written anti-drug plan that conforms to the requirement of 49 C.F.R. Part 199.

Accordingly, I find that compliance has been achieved with respect to these violations. Therefore, the compliance terms proposed in the Notice are not included in this Order.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued