



07-22-15 12:39 RCVD

Cenex Pipeline, LLC • Post Office Box 909 • Laurel, Montana • 59044-0909 • Phone (406) 628-5200

July 20, 20145

Mr. Chris Hoidal
Director, Western Region
Office of Pipeline Safety
Research and Special Programs Administration
12300 W. Dakota Avenue, Suite 110
Lakewood, Colorado 80228

RE: CPF 5-2015-5013

Dear Mr. Hoidal,

Cenex Pipeline, LLC. (Cenex) submits the following in response to the PHMSA Notice of Proposed Violation, Proposed Civil Penalty, and Proposed Compliance Order, CPF 5-2015-5013, dated June 30, 2015.

Cenex Pipeline is not contesting the cited violation. However, Cenex Pipeline has been working with a vendor since late 2011 to develop a SCADA simulator that will be used to train pipeline controllers on operating procedures and AOC response and to evaluate controller performance. Cenex Pipeline has invested significant resources and budget, in excess of \$590,000, in development of the simulator. Cenex Pipeline has scheduled the Simulator Site Acceptance Test (SAT) the week of July 20th and expects the simulator to be available for our use within 3 months of a successful SAT.

Cenex Pipeline feels that this commitment to improving the Controller Training Program, which significantly predated the PHMSA inspection, warrants consideration of mitigation or elimination of the proposed civil penalty.

In addition to the above, Cenex Pipeline may find it necessary, upon receipt of the Final Order to request an extension related to this issue, due to simulator implementation requirements.

If you need any further information from Cenex Pipeline, LLC., please let me know.

Sincerely,

A handwritten signature in black ink that reads "Richard Petersen". The signature is written in a cursive, flowing style.

Richard Petersen

V.P. Pipelines and Terminals

C: Corey McIlvain
Mike Stahly
Michelle L. Slyder