

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 27, 2017

Mr. Todd Denton  
President  
Phillips 66 Pipeline LLC  
2331 Citywest Blvd.  
Houston, TX 77042

**CPF 5-2017-5014W**

Dear Mr. Denton:

Between August 10, 2016 and August 25, 2016, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Powder River HVL pipeline system from Douglas, Wyoming to Borger, Texas.

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

1. **§195.404 Maps and records.**
  - (c) **Each operator shall maintain the following records for the periods specified:**
  - (3) **A record of each inspection and test required by this subpart shall be maintained for at least 2 years or until the next inspection or test is performed, whichever is longer.**

During the records review of the Power River HVL pipeline system, Phillips 66's (P66's) overpressure protection records failed to demonstrate that they are in compliance with §195.428(a). It was noted that the maximum discharge and the maximum operating pressure (MOP) for the CO Pump Station is 1315 psig. However, the September 2015 overpressure protection record for CO Pump Station Discharge Controller calibration indicated 1315 psig "as found" and 1355 psig "as left". Interviews P66 personnel revealed that the "as left" pressure for the CO Pump Station was 1315 psig, and this was confirmed with the March 2016 inspection record.

In addition, the Pressure/Temperature Device Inspections for the KE (HVL) Station were performed on March 9, 2016 for six (6) devices. In accordance with P66PL-GPL-122 procedure, the overpressure safety devices include the Discharge Transmitter, Hi Discharge Shutdown, Max Discharge Setpoint, Discharge Switch, Suction Transmitter, and Control Valve. During the records review of the overpressure safety devices for KE Station, six (6) overpressure device inspection records were not completed in their entirety, i.e. Product Service HVL, Non-HVL, or Gas; "Block Valves Sealed Open (Y, N, N/A)"; and "Operational & Mechanical Condition."

As of April 27, 2017, under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists up to a maximum of \$2,090,022 for a related series of violations. 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 correct the item(s) identified in this letter. Failure to do so will result in Phillips 66 Pipeline LLC being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2016-5014W**. 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).

Sincerely,

Dustin Hubbard  
Acting Director, Western Region  
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry  
PHP-500 C. Allen/T. Jez (#152706 and #152708)