



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

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

VIA FED EX – TRACKING # 7784 1178 1442

February 13, 2017

Mr. Steve Newby
President & CEO
Summit Midstream Partners, LLC
1790 Hughes Landing Blvd., Suite 500
The Woodlands, TX 77380

CPF 5-2017-6003

Dear Mr. Newby:

On April 26 and 27, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Hereford Highly Volatile Liquid (HVL) facility in Grover, Colorado.

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

1. §195.266 Construction records.

A complete record that shows the following must be maintained by the operator involved for the life of each pipeline facility:

(a) The total number of girth welds and the number nondestructively tested, including the number rejected and the disposition of each rejected weld.

Summit Midstream Partners failed to maintain a complete record showing the total number of girth welds and the number nondestructively tested, including the number rejected and the disposition of each rejected weld, for the life of each pipeline facility pursuant to 49 C.F.R. §195.266(a). At the time of the inspection, Summit Midstream Partners was unable to provide welding records to demonstrate that nondestructive testing was performed on at least 10 percent of the girth welds made by each welder and welding operator during each welding day of construction, as required by 49 C.F.R. §195.234(d). A Summit Midstream Partners representative provided weld data via email on September 30, 2016 to PHMSA showing a list of welders and percentage of welds X-rayed, but did not include the dates each welder welded and the daily non-destructive testing percentages. Therefore, Summit Midstream Partners violated 49 C.F.R. §195.266(a) by failing to maintain complete records of weld testing.

2. §195.403 Emergency Response Training.

(c) Each operator shall require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under 195.402 for which they are responsible to ensure compliance.

Summit Midstream Partners was unable to verify that its supervisors maintained a thorough knowledge of the portion of the emergency response procedures for which they are responsible pursuant to 49 C.F.R. §195.403(c). According to § 195.403(a) and (b), operators are required to establish and conduct a continuing training program to instruct emergency response personnel on emergency response procedures required under § 195.402 at intervals not exceeding 15 months but at least once each calendar year. At the time of the inspection, Summit Midstream Partners was unable to provide records demonstrating that a supervisor was trained in its emergency response procedures for the 2014 calendar year. During the inspection, a Summit Midstream Partners employee confirmed that these records were not available. Therefore, Summit Midstream Partners could not verify that its supervisor maintained a thorough knowledge of its § 195.402 emergency response procedures in violation of 49 C.F.R. §195.403(c).

3. §195.404 Maps and Records.

(b) Each operator shall maintain for at least 3 years daily operating records that indicate-

(1) The discharge pressure at each pump station

Summit Midstream Partners failed to maintain daily operating records for at least three years indicating the discharge pressure at each pump station pursuant to 49 C.F.R. §195.404(b)(1). At the time of the inspection, Summit Midstream Partners' control center only had the capability to retain records for 12 to 13 months. During the inspection, a Summit Midstream Partners employee admitted that these records were not available, and the control center does not have a three-year data management system that retains discharge pressure at each pump station. Summit Midstream Partners provided via email discharge records starting on 08/21/2015. As such, Summit Midstream Partners violated §195.404(b)(1).

4. §195.404 Maps and Records.

(b) Each operator shall maintain for at least 3 years daily operating records that indicate-

(2) Any emergency or abnormal operation to which the procedures under §195.402 apply.

Summit Midstream Partners failed to retain daily operating records for at least three years indicating any emergency or abnormal operations to which the procedures under §195.402 apply. At the time of the inspection, Summit Midstream Partners' control center only had the capability to retain records for 12 to 13 months. During the inspection, a Summit Midstream Partners employee admitted that these records were not available, and the control center does not have a three-year data management system that retains discharge pressure at each pump station. Summit Midstream Partners violated §195.404(b)(2).

Proposed Compliance Order

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violations occurring between January 4, 2012 to August 1, 2016, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to propose a civil penalty assessment at this time.

With respect to Item 3 and 4, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Summit Midstream Partners. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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. Be advised that failure to do so may result in Summit Midstream Partners being subject to additional enforcement action.

Response to this Notice

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). 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.

In your correspondence on this matter, please refer to **CPF 5-2017-6003** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry
PHP-500 Ogirima (#153100)

Mr. Zak Covar, Vice President of Health, Safety, Environmental and Regulatory Affairs
Summit Midstream Partners, LLC, 1790 Hughes Landing Blvd., Suite 500
The Woodlands, TX 77380

PROPOSED COMPLIANCE ORDER

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

1. In regard to Item Number 3 of the Notice pertaining to maps and records, Summit Midstream Partners must modify its recording keeping system so it can comply with the 3-year record keeping requirement for daily operating records.
2. In regard to Item Number 4 of the Notice pertaining to maps and records, Summit Midstream Partners must modify its recording keeping system so it can comply with the 3-year record keeping requirement for discharge pressure, emergency and abnormal operations.
3. Summit Midstream Partners must respond within 60-days to this notice.
4. It is requested (not mandated) that Summit Midstream Partners maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Chris Hoidal, Director, Western 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.