

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 22, 2019

Mr. Greg Brown
President and COO
Cenex Pipeline, LLC
803 Highway 212 South
Laurel, MT 59044

CPF 5-2019-5009M

Dear Mr. Brown:

Between January 2018 and October 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA,) pursuant to Chapter 601 of 49 United States Code, inspected the Cenex Products Pipeline (Cenex) between Laurel, Montana and Fargo, North Dakota. As a result of the inspection, PHMSA has identified the apparent inadequacies found within Cenex's procedures, as described below:

1. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) . . .

(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(1) . . .

(10) Abandoning pipeline facilities, including safe disconnection from an operating pipeline system, purging of combustibles, and sealing abandoned facilities left in place to minimize safety and environmental hazards. For each abandoned offshore pipeline facility or each abandoned onshore pipeline facility that crosses over, under or through commercially navigable waterways the last

operator of that facility must file a report upon abandonment of that facility in accordance with § 195.59 of this part.

During the inspection, it was determined that Cenex did not have adequate procedures for, and records of, the abandonment of pipeline segments. As a result, Cenex must modify their Pipeline Operation and Maintenance Manual (O&M Manual) to clearly describe the steps necessary for the proper abandonment of pipeline segments, including safe disconnection from an operating pipeline system, purging of combustibles, and sealing abandoned facilities left in place to minimize safety and environmental hazards. In addition, requirements for documenting the abandonment of pipeline segments must be clearly described in the O&M Manual.¹

2. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) . . .

(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(1) . . .

(3) *Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.*

During the inspection, it was determined that Cenex did not have adequate procedures for operating, maintaining, and repairing the pipeline system in accordance with Subpart H of Part 195. Specifically, Cenex did not have procedures describing the criteria used to determine the adequacy of cathodic protection on its pipelines in accordance with § 195.571. As a result, Cenex must modify its O&M Manual to include procedures for determining the adequacy of cathodic protection pursuant to § 195.571, including the establishment of the frequency of close interval surveys. In addition, requirements for documenting the established frequency of close interval surveys must be clearly described in the O&M Manual.²

3. § 195.452 Pipeline integrity management in high consequence areas.

(a) . . .

(l) *What records must an operator keep to demonstrate compliance?*

(1) *An operator must maintain, for the useful life of the pipeline, records that demonstrate compliance with the requirements of this subpart. At a minimum, an operator must maintain the following records for review during an inspection:*

(i) . . .

(ii) *Documents to support the decisions and analyses, including any modifications, justifications, deviations and determinations made, variances, and*

¹ See 49 C.F.R. § 195.402(c)(1) (requiring operators to make construction records, maps, and operating history available as necessary for safe operation and maintenance).

² See 49 C.F.R. § 195.589(c) (requiring operators to maintain records in sufficient detail to demonstrate the adequacy of corrosion control measures).

actions taken, to implement and evaluate each element of the integrity management program listed in paragraph (f) of this section.

During the inspection, it was determined that Cenex did not have adequate procedures for maintaining records to implement and evaluate each element of its integrity management plan (IMP). Specifically, the IMP did not include information on record-keeping procedures for the implementation of preventative and mitigative measures.

4. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) . . .

(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(1) . . .

(3) *Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.*

During the inspection, it was determined that Cenex's Atmospheric Corrosion Inspection Form used to document conditions of spans does not include the span over the canal just east of Sidney, MT.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Cenex Pipeline maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Dustin Hubbard, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2019-5009M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 M. Petronis (#159085)