

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 18, 2019

Mr. Mark Cunningham
Senior Vice President Operations and Engineering
Holly Energy Partners
2828 N. Harwood, Suite 1300
Dallas, TX 75201

CPF 5-2019-6007W

Dear Mr. Cunningham:

On April 22 through April 26, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected your Salt Lake Refinery System in North Salt Lake, Utah.

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

1. **§195.573 What must I do to monitor external corrosion control?**
 - (a) ***Protected pipelines.* You must do the following to determine whether cathodic protection required by this subpart complies with §195.571:**
 - (1) **Conduct tests on the protected pipeline at least once each calendar year, but with intervals not exceeding 15 months. However...**

At the time of the inspection, records were unavailable to document that cathodic protection tests were conducted on the 10 inch Chevron to UNEV pipeline for the year 2018.

2. **§195.404 Maps and records.**
 - (a) . . .
 - (b) **Each operator shall maintain for at least 3 years daily operating records that indicate-**
 - (1) . . .
 - (2) **Any emergency or abnormal operation to which the procedures under §195.402 apply.**

Records were unavailable to document the post-event review of an abnormal operation involving loss of communications for the control center.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$213,268 per violation per day the violation persists, up to a maximum of \$2,132,679 for a related series of violations. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, 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. 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 items identified in this letter. Failure to do so will result in Holly Energy Partners 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 5-2019-6007W**. 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 B. Hubbard
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 Y. Liang (#162570)