United Refining Company • Petroleum Products

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April 13, 2023

CERTIFIED MAIL

Mr. Robert Burrough
Director, PHMSA Eastern Region
840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628

RE: CPF 1-2023-012-NOA

Dear Mr. Burrough:

This letter is in response to the Notice of Amendment received by Kiantone Pipeline Corporation dated March 16, 2023.

The items listed in the NOA will be listed below in bold with the response directly below each item.

1. **49 C.F.R. § 195.64 (c) The National Registry of Operators – Kiantone's *Operations, Maintenance, & Emergency Response Procedure Manual* (OME) failed to include a procedure for complying with the 195.64(c) requirements for notifying PHMSA of changes through the National Registry of Operators**

   Kiantone disagrees that there is a requirement to have a procedure for this required notification. Subpart B starting at 195.48 does not call out a requirement for a procedure in the Subpart. Subpart F which requires the OME, does call out requirements for procedures.

   However noticeably absent is the requirement referencing 195.64 portion of Subpart B. Subpart F 195.402 (c)(2) calls out a requirement for a procedure for: *(2) Gathering of data needed for reporting accidents under subpart B of this part in a timely and effective manner.* If the intent were to require a procedure for the notification, the regulation would have stated all parts of subpart B not just the gathering of data needed for reporting accidents.

   An Environmental procedure (ENV-16) has been developed and put in place to evaluate projects to determine if notifications are required and whom is responsible for the notifications called out in 40 C.F.R. § 195.64.

2. **49 C.F.R. § 195.402 Procedural manual for operations, maintenance, and emergencies – Kiantone's procedures for maintenance and normal operations were inadequate. Specifically, Kiantone's OME failed to provide details on how its firefighting equipment inspections are conducted, in accordance with § 195.430(a).**

   Kiantone's OME as was provided during the inspection contained references to a procedure and manufacturer instruction manual that are followed for conducting the inspections. Additional language has been added to page 14.3.3 of the OME manual to further explain that these referenced procedures and manuals are followed, how they are documented and where the records are maintained. The updated section is included as Attachment I with this response.

3. **Kiantone failed to include details on remedial actions to ensure the safe operation of a pipeline following an extreme weather event in accordance with § 195.414(d). Kiantone must revise its procedures to address this requirement.**

   Kiantone has added language to Chapter 13 to address this deficiency by adding more details in the procedure. The updated section is included as Attachment II with this response.

4. **Kiantone's procedure failed to describe the interval and method for performing external inspections of breakout tanks in accordance with § 195.432(b). Kiantone must revise the procedures to address this requirement.**

   The appropriate procedure was referenced during the inspection and provided to the inspector. The procedure provided does call out the method and interval of the required inspections, which also requires a third-party certified inspection company to provide URC with a procedure to be followed when conducting the inspection. The OME table 11.1.1 provided was not entirely correct. Table 11.1.1 has been corrected and the procedure has been updated to current language and referencing all required jurisdictional breakout tanks located in Pennsylvania and removed all references to PA DEP and PA Code. The procedure is KPC Procedure 11.1.1 and is Attachment III to this response.

5. **Kiantone's procedures failed to describe the interval and method for performing external ultrasonic thickness inspections of breakout tanks, in accordance with § 195.432(b) Kiantone must revise the procedure to address this requirement.**

   The procedure referenced in the explanation of this item "United Refining Company – PA DEP In-service and Out-of-Service Tank Inspections Procedure" contained both the interval and method for performing the ultrasonic thickness inspection. Item 1.1 of the procedure calls out the In-Service inspection frequency. Under the URC Chief Inspector portion of the procedure calls out that a third-party inspection procedure will be reviewed and approved. The PA DEP Certified Inspector portion of the procedure item 2. discusses the ultrasonic equipment measurements.

   The OME Table 11.1.1 referenced API 653 Section 6 but did not reference the procedure mentioned above. Table 11.1.1 has been corrected and the KPC Procedure 11.1.1 was added to the OME and is included in Attachment III to this response. Procedure 11.1.1 clearly describes the interval and method for performing external ultrasonic thickness inspections of the breakout tanks.

6. **Kiantone's procedures failed to describe the interval and method for performing internal inspections of breakout tanks, in accordance with § 195.432(b). Kiantone must revise its procedures to address this requirement.**

   The procedure referenced has been updated as stated in item 4 and item 5 above.

7. **Kiantone's procedures failed to require and include a process to verify that supervisors maintain a thorough knowledge of the portion of the corrosion control procedures established under § 195.402(c)(3) for which they are responsible for insuring compliance in accordance with § 195.555. Kiantone must revise its procedures to address this requirement.**

   The OME that was provided to PHMSA during the inspection clearly incorporates the KPC OQ Program by reference. Under this program, to become an authorized Evaluator, supervisors are required to maintain thorough knowledge of the relevant corrosion control procedures that correspond to each covered task. They are required to re-authorize as Evaluators every three years, part of that process requires them to review and be knowledgeable of the operator-approved corrosion control procedures relevant to each covered task. Documentation for these records is kept within the Veriforce program. Language was added to Chapter 15 in the OME (Attachment IV) to provide a clearer explanation on how this requirement is being met.

8. **Kiantone's procedures failed to include a description or details of its methodology for evaluating the severity of coating and atmospheric corrosion deficiencies of pipe inspected pursuant to § 195.583, and for documenting these inspections. Kiantone must revise its procedures to address this deficiency.**

   Language and forms were added to 15.5.2, 15.5.3, 15.5.4 and 15.5.5 of the OME. These updates are included as Attachment V to this response.

9. **Kiantone failed to include details in its written procedures on periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures in accordance with § 195.402(c)(13). Kiantone must revise its procedures to address this requirement.**

   Kiantone does not believe the statement that Kiantone failed to provide details on periodically reviewing work done by operators is accurate. Reviews are documented on the form provided in section 1.6.1 of the OME, which was provided during the audit and is referenced in Section 1.6 of the OME. The OME states the reviews are performed periodically, which is what the regulations require. Language in Section 1.6 in the OME was added to further explain when the reviews are performed and how they are documented. The 1.6.1 update is included as Attachment VI.

10. **Kiantone's procedures failed to include review of employee activities to determine whether the procedures were effective in each emergency and taking corrective action where deficiencies are found, in accordance with § 195.402(e)(9). Kiantone must revise its procedures to address this requirement.**

    Kiantone does not believe the statement that Kiantone failed to provide review of employee activities to determine whether the procedures were effective in each emergency and taking corrective action is accurate. Kiantone provided section 19.7 of the OME during the audit that explains the process of the Post-mortems which addresses this requirement. Language was added to this procedure to further explain the process and documentation on the review form. This is included as Attachment VII (pages 19.7.1 and 19.7.2).

11. **Kiantone failed to include instructions in its written procedures for personnel to recognize conditions that potentially may be safety-related conditions in accordance with § 195.402(f). Kiantone must revise its procedure to address this requirement.**

    The issue PHMSA states is a little confusing since Figure 3.1.2 in OME contains a flow chart that clearly states what would be considered SRC items as well as Figure 3.2.2 contains a flow chart that is to be used to determine what SRC items are reportable. This portion of the OME provides examples and decision process on what is reportable. As personnel are supposed to read and be familiar with the OME and the diagrams indicate how to recognize a SRC, it is not clear what PHMSA considers deficient.

    As it is not clear as to what PHMSA considers the deficiency, Kiantone has added language to provide more examples of what would be considered SRC and language to Section 3.1 that further discuss training. These updates are included as Attachments VIII.

12. **Kiantone's procedures failed to require and include a process to verify that supervisors are knowledgeable of emergency response procedures for which they are responsible for, in**

accordance with § 195.403(c). Kiantone must revise its procedures to address this requirement.

The OME incorporates the OQ program by reference. Supervisors are qualified through Veriforce for the specific task (638OP-Emergency Response). These supervisors are required to re-qualify for this task every 3 years . As part of the testing, they are required to explain relevant operator-approved procedures, demonstrate the ability to utilize the emergency response manual, and follow appropriate procedures for notification, documentation, and remedial action.

A paragraph was added to page 19.3.3 that explains the re-qualification that verifies the supervisor's knowledge of emergency response procedures for which they are responsible for. This update is included at Attachment IX.

Kiantone disagreed with item 1. that a procedure is required by regulation, however a procedure has been developed and put in place, and item 11 was not clear on what deficiency was being highlighted. If PHMSA feels clarification of these items will assist Kiantone in meeting PHMSA's expectations, please contact myself with those clarifications.

Kiantone strives to meet regulatory requirements and hopes this response satisfies the Notice of Amendment.

If you have any questions or comments, feel free to contact me directly at the above number.

Sincerely,

UNITED REFINING COMPANY

William J. Roy
Assistant Vice President, Environmental Compliance Officer

Attachments

cc. David Wortman, V.P. Supply & Transportation