

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: Cjorda@citgo.com

July 5, 2024

Mr. Carlos Jorda
President and Chief Executive Officer
Citgo Pipeline Co
1289 Eldridge Parkway
Houston, Texas 77077

CPF 1-2024-032-NOA

Dear Mr. Jorda:

On March 27, 2023 through November 7, 2023, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) conducted an integrated inspection of Citgo Pipeline Company, Citgo Petroleum Corporation Terminals and Citgo Products Pipeline Company (Citgo) procedures in Everglades, Florida, Niles, Michigan, Linden, New Jersey, Toledo, Ohio and Sour Lake, Texas.

As a result of the inspection, PHMSA has identified the apparent inadequacies found within Citgo's plans or procedures. The items inspected and the inadequacies are described below:

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

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

Citgo's procedures for maintenance and normal operations were inadequate. Specifically, Citgo's

Facility Response Plans failed to state the manuals shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective, in accordance with § 195.402(a).

During the inspection, PHMSA requested Citgo's procedures regarding annual reviews of its emergency manual pursuant to § 195.402(a). Citgo provided, *Gulf Coast Response Zone – FRP, dated 02/23/23, Linden FRP, dated 02/23/23, Niles FRP, dated 03/09/23, Port Everglades FRP, dated 02/23/23 and Toledo FRP, dated 02/23/23* (FRP). Citgo also identified that the emergency manual required by § 195.402(e) is the FRPs.

The FRP's stated in part that "...this plan will be reviewed annually and modified to address new or different operating conditions or information included in the Plan."

However, the FRPs failed to state that the manuals be reviewed at the proper interval of at least once each calendar year, and not to exceed 15 months.

Therefore, Citgo's procedures failed to state the manual shall be reviewed at intervals not exceeding 15 months but at least once each calendar year, in accordance with § 195.402(a). Citgo must revise its procedures to address this requirement.

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

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

Citgo's procedures for maintenance and normal operations were inadequate. Specifically, Citgo's *OM Manual Section Q – Abandonment of Facilities, dated 10/19/00* (OM - Section Q) failed to state adequate details for reporting abandonment or deactivation of facilities, in accordance with § 195.59.

Section 195.59 states:

The preferred method to submit data on pipeline facilities abandoned after October 10, 2000 is to the National Pipeline Mapping System (NPMS) in accordance with the NPMS "Standards for Pipeline and Liquefied Natural Gas Operator Submissions." To obtain a copy of the NPMS Standards, please refer to the NPMS homepage at <http://www.npms.phmsa.dot.gov> or contact the NPMS National Repository at 703-317-3073. A digital data format is preferred, but hard copy submissions are acceptable if they comply with the NPMS Standards. In addition to the NPMS-required attributes, operators must submit the date of abandonment, diameter, method of abandonment, and certification that, to the best of the operator's

knowledge, all of the reasonably available information requested was provided and, to the best of the operator's knowledge, the abandonment was completed in accordance with applicable laws. Refer to the NPMS Standards for details in preparing your data for submission. The NPMS Standards also include details of how to submit data. Alternatively, operators may submit reports by mail, fax or e-mail to the Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, Information Resources Manager, PHP-10, 1200 New Jersey Avenue, SE., Washington, DC 20590-0001; fax (202) 366-4566; e-mail, "InformationResourcesManager@phmsa.dot.gov."

During the inspection, PHMSA requested procedures related to abandonment. Citgo provided OM – Section Q. Section Q stated in part: Alternatively, operators may submit reports by mail, fax or e-mail to the Information Officer, Research and Special Programs Administration (RSPA), Department of Transportation, Room 7128, 400 Seventh Street, SW, Washington DC 20590; FAX (202) 366-4566; E-MAIL, roger.little@rspa.dot.gov. The information in the report must contain all reasonably available information related to the facility, including information in the possession of a third party.

The OM – Section Q, however, failed to state the correct agency name, address and email contact to submit the abandonment reports to.

Therefore, Citgo procedures failed to state adequate details for reporting abandonment or deactivation of facilities, in accordance with § 195.59. Citgo must revise its procedures to address this requirement.

3. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

Citgo's procedures for safety-related condition reports were inadequate. Specifically, Citgo's *OM Manual Section G – Accident Reporting, dated 09/27/22* (OM - Section G) failed to include instructions enabling personnel who perform operation and maintenance (O&M) activities to recognize conditions that potentially may be safety-related conditions (SRCs) that are subject to the reporting requirements of § 195.55.

During the inspection, PHMSA requested Citgo's procedure regarding recognizing safety-related conditions. Citgo provided the OM - Section G. Section G, page G-22 reiterated the list of SRCs found in § 195.55(a). When PHMSA asked Citgo where the process details were related to providing instructions to enable personnel who perform O&M activities to recognize conditions

that may be SRCs, Citgo was unable to provide a relevant section of the O&M which indicated compliance with this requirement. The OM – Section G lacked any guidance, criteria or examples that would allow Citgo personnel to differentiate between what is and what is not a potential safety-related condition, nor did it reference any other relevant procedures or training that provide O&M personnel the required instruction.

Therefore, Citgo failed to include instructions in its written procedures for personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions subject to the reporting requirements of § 195.55 in accordance with § 195.402(f). Citgo must revise its procedures to address this requirement.

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.

Citgo's procedures for maintenance and normal operations were inadequate. Specifically, Citgo's *Integrity Management Program for Hazardous Liquids Pipelines Pipeline Integrity Assessment, dated 10/01/22* (LIMP-03) failed to contain an analysis that integrates all available information about the integrity of the entire pipeline(s) and the consequence of a failure, per the requirements of § 195.452(f)(3).

Section § 195.452(f)(3) stated in part:

...An operator must include, at minimum, each of the following elements in its written integrity management program:

(3) An analysis that integrates all available information about the integrity of the entire pipeline and the consequences of a failure (see paragraph (g) of this section)

During the inspection, PHMSA requested Citgo's procedures regarding the process for evaluating in-line inspection results and data integration. Citgo provided the LIMP-03. The LIMP-03 – Section 5.14.1 stated in part that the integrity engineer will ensure that all available data that is relevant to the assessment will be integrated and used in information analysis. ILI vendor data, data stored in GIS/PODS, PCS-CPDM and MS Access databases will be primary data sources.

However, the LIMP-03 failed to describe the process and details behind how and when Citgo conducts this analysis, as well as in what method Citgo integrates this data amongst their programs. When PHMSA asked Citgo where this information was documented Citgo discussed that their process is not spelled out indicating instructions or further guidance.

Therefore, Citgo's procedures failed to contain an analysis that integrates all available information

about the integrity of the entire pipeline(s) and the consequence of a failure, in accordance with § 195.452(f)(3). Citgo must revise its procedures to address this requirement.

5. § 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.

Citgo's procedures for maintenance and normal operations were inadequate. Specifically, Citgo's *Integrity Management Program for Hazardous Liquids Pipelines Pipeline Integrity Assessment, dated 10/01/22 (LIMP-03)* and *Integrity Management Program for Hazardous Liquids Pipelines-Pipeline Remediation, dated 05/01/21 (LIMP-04)* failed to prioritize repairs for its non-high consequence areas (HCA), per the requirements of § 195.401(b)(3).

Section 195.401(b) states in part:

(1) *Non-Integrity management repairs.* Whenever an operator discovers any condition that could adversely affect the safe operation of its pipeline system, it must correct the condition within a reasonable time. However, if the condition is of such a nature that it presents an immediate hazard to persons or property, the operator may not operate the affected part of the system until it has corrected the unsafe condition.

...

(3) *Prioritizing repairs:* An operator must consider the risk to people, property, and the environment in prioritizing the correction of any conditions referenced in paragraphs (b)(1) and (2) of this section.

During the inspection, PHMSA requested Citgo's procedures regarding the process for pipeline defect repairs in non-HCA areas. Citgo provided the LIMP-03 and LIMP-04. The LIMP-03 provided for 'Immediate Hazard Conditions' on non-HCA segments for certain criteria described in Section 5.8.6. Section 5.8.7 stated:

Specific conditions for evaluation and investigation--Citgo may select these following conditions on HCA and non-HCA segments for further validation and investigation, as determined by the integrity engineer.

- Any metal loss greater than 50%
- Any dent near foreign line crossing
- Verification of external corrosion anomaly
- Verification of internal corrosion anomaly
- Verification based on remaining life calculations
- Any 49 CFR 195.452(h)(4) condition in non-HCA

However, the LIMP-03 failed to describe any prioritization of repairs for non-HCA segments outside of Immediate Hazard Conditions. When PHMSA asked Citgo where this information was documented, Citgo this is done on a case-by-case basis and there is no set schedule for repairs.

Therefore, Citgo's procedures failed to contain a process for prioritizing its non-HCA segment repairs, in accordance with § 195.401(b)(3). Citgo must revise its procedures to address this requirement.

6. § 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.

Citgo's procedures for maintenance and normal operations were inadequate. Specifically, Citgo's *Integrity Management Program for Hazardous Liquids Pipelines – Leak Detection Capabilities Evaluation*, dated 07/01/20 (LIMP-11) failed to require a leak detection evaluation on its pipeline systems, per the requirements of § 195.452(i)(3).

Section § 195.452(i)(3) stated in part:

(i) What preventive and mitigative measures must an operator take to protect the high consequence area

(3) Leak detection. An operator must have a means to detect leaks on its pipeline system. An operator must evaluate the capability of its leak detection means and modify, as necessary, to protect the high consequence area. An operator's evaluation must, at least, consider, the following factors - length and size of the pipeline, type of product carried, the pipeline's proximity to the high consequence area, the swiftness of leak detection, location of nearest response personnel, leak history, and risk assessment results.

During the inspection, PHMSA requested Citgo's procedures regarding leak detection system evaluations. Citgo provided the LIMP-11. The LIMP-11 – Section 5.3 stated in part: Citgo conducts leak detection evaluations on every pipeline system or reviews the results of the previous leak detection evaluation during or after P&M measure evaluation meetings which usually occur every 5 years after the completion of a risk assessment.

However, LIMP-11 failed to include any set requirement for Citgo to conduct a leak detection evaluation at a specified interval. When PHMSA asked Citgo where this information was documented, Citgo stated there is no set timeframe for a leak detection evaluation but it is usually after an integrity assessment.

Therefore, Citgo's procedures failed to require a leak detection evaluation on its pipeline systems,

per the requirements of § 195.452(i)(3). Citgo must revise its procedures to clarify when it performs leak detection evaluations pursuant to § 195.452(i)(3).

7. § 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.

Citgo's procedures for maintenance and normal operations were inadequate. Specifically, Citgo's *Control Room Management Plan – Alarm Management Plan, dated 01/01/23* (CRM-06) and *Citgo Pipeline Operations Manual – Field and Control Center, dated 09/26/22* (OM Section T) failed to detail how its computational pipeline monitoring (CPM) leak detection systems comply with API RP 1130 in operating, maintaining, testing, record keeping and dispatcher training for its systems, in accordance with § 195.444(c).

Section § 195.444(c) stated in part:

(c) CPM leak detection systems. Each computational pipeline monitoring (CPM) leak detection system installed on a hazardous liquid pipeline must comply with API RP 1130 (incorporated by reference, see § 195.3) in operating, maintaining, testing, record keeping, and dispatcher training of the system.

During the inspection, PHMSA requested Citgo's procedures regarding CPM systems. Citgo provided the CRM-06 and OM Section T. The O&M Section T stated in part that Citgo maintains a CPM system that aids in the detection of pipeline leaks. It also stated that this system complies with API 1130 regarding operating, maintaining, testing, recordkeeping and dispatcher training.

However, OM Section T failed to include details on how Citgo's CPM systems meet these requirements. When PHMSA asked Citgo which pipeline or system this procedure applies to as well as how the system(s) meets the operating, maintaining and testing requirements of API 1130, Citgo stated that the leak detection systems vary across the pipeline terminals but there is no further guidance on this process that is documented.

Therefore, Citgo's procedures failed to detail how its CPM leak detection systems comply with API RP 1130 in operating, maintaining, testing, record keeping and dispatcher training for its systems, in accordance with § 195.444(c). Citgo must revise its procedures to address this requirement.

8. § 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.

Citgo's procedures for maintenance and normal operations were inadequate. Specifically, Citgo's Facility Response Plans failed include details for a notification of potential rupture, in accordance with § 195.417(a).

Section § 195.417(a) stated in part:

As used in this part, a notification of potential rupture means the notification to, or observation by, an operator (e.g., by or to its controller(s) in a control room, field personnel, nearby pipeline or utility personnel, the public, local responders, or public authorities) of one or more of the below indicia of a potential unintentional or uncontrolled release of a large volume of hazardous liquids from a pipeline:

During the inspection, PHMSA requested the procedures regarding notifications of potential ruptures. Citgo provided, *Gulf Coast Response Zone – FRP, dated 02/23/23, Linden FRP, dated 02/23/23, Niles FRP, dated 03/09/23, Port Everglades FRP, dated 02/23/23 and Toledo FRP, dated 02/23/23* (FRP). Citgo also identified that the emergency manual required by § 195.402(e) is the FRPs.

The FRPs failed to include details covering the notification process of a potential rupture. The FRPs also failed to define an unanticipated or unexplained pressure loss scenario. When PHMSA asked for clarification on where these processes are located, Citgo stated that all notifications are on premises and that they follow FRP Section 2.1. The FRP Section 2.1, however, did not indicate any details regarding a notification process for the § 195.417(a) requirements.

Therefore, Citgo's procedures failed to include details for a notification of potential rupture, in accordance with § 195.417(a). Citgo must revise its procedures to address this requirement.

9. § 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.

Citgo's procedures for maintenance and normal operations were inadequate. Specifically, Citgo's *OM Manual Section J – Inspection and Maintenance, dated 09/23/22* (OM - Section J) failed to

provide adequate details in its procedures for overpressure safety device inspection and testing in accordance with § 195.428(a).

During the inspection, PHMSA requested Citgo's procedures regarding the § 195.428 requirements. Citgo provided the OM - Section J. Section J-28 stated in part, Inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment. Determine that the device is: Functioning properly, in good mechanical condition, adequate in capacity and reliability for the service in which it is used, set to function at the correct pressure, properly installed and protected from anything that might prevent proper operation...and document each inspection of an overpressure safety device on the Check List for Safety Device Inspection, CPL-31 or equivalent form...

The OM – Section J failed to provide sufficient guidance on conducting and documenting pressure relief valve inspections, such as:

1. What are the criteria for determining “satisfactory” and “unsatisfactory.”
2. How is “operational”, “mechanical” and “general condition” to be evaluated.
3. When is a device to be evaluated for an initial test or re-calibration.
4. What criteria are used to determine an acceptable “as-found” and “as-left” relief pressure.
5. What actions must be taken if the relief valve pressure does not meet the criteria.

Therefore, Citgo failed to provide adequate details in its procedures for overpressure safety device inspection and testing in accordance with § 195.428(a). Citgo must revise its procedures to address this requirement.

10. § 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.

Citgo's procedures for maintenance and normal operations were inadequate. Specifically, Citgo's *OM Manual Section J – Inspection and Maintenance, dated 09/23/22* (OM - Section J), failed to provide sufficient guidance for protecting pipeline systems against ignitions arising out of static electricity, lightning, and stray currents during operation and maintenance activities involving aboveground breakout tanks in accordance with API RP 2003, per the requirement of § 195.405(a).

Section 195.405(a) states:

After October 2, 2000, protection provided against ignitions arising out of static electricity, lightning, and stray currents during operation and maintenance activities involving aboveground breakout tanks must be in accordance with API RP 2003

(incorporated by reference, see §195.3), unless the operator notes in the procedural manual (§ 195.402(c)) why compliance with all or certain provisions of API RP 2003 is not necessary for the safety of a particular breakout tank.

During the inspection, PHMSA requested Citgo's procedures regarding the §195.405(a) requirements. Citgo provided the OM – Section J and *TPL-EPCC-TK100 – New tanks, bottoms, leak protection and ignition protection, dated 04/01/22* (TK100). The OM – Section J, page J-21 stated in part: after October 2, 2000, protection provided against ignitions arising out of static electricity, lightning, and stray currents during operation and maintenance activities involving aboveground breakout tanks must be in accordance with API Recommended Practice 2003, unless Citgo notes in this procedure manual why compliance with all or certain provisions of API RP 2003 is not necessary for the safety of a particular tank.

OM Section J failed to indicate or reference any process or details for protection against ignitions involving aboveground breakout tanks, nor did it provide a reason why compliance with all or certain provisions of API RP 2003 is not necessary for the safety of a particular breakout tank.

TK100 was associated with new tanks and did not include any details or processes related to protection against ignitions. Furthermore, the TK100 was not referenced or linked to the Citgo OM manual. When PHMSA asked for additional procedures as well as reasoning why TK100 was not referenced in the OM manual, Citgo was unable to provide a response.

Therefore, Citgo procedures failed to include provisions for protecting against ignitions arising out of static electricity, lightning, and stray currents during operation and maintenance activities involving aboveground breakout tanks in accordance with API RP 2003, per the requirement of § 195.405(a). Citgo must revise its procedures to address this requirement.

11. § 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.

Citgo's procedures for maintenance normal operations and emergencies were inadequate. Specifically, Citgo's *OM Manual Section A – Normal Operation and Maintenance Introduction, dated 04/01/21* (OM - Section A), failed to state the manuals shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, in accordance with § 195.402(a).

During the inspection, PHMSA requested Citgo's procedures regarding the § 195.402(a) requirements. Citgo provided the OM – Section A. The OM – Section A stated in part: II Procedure reviews will be documented on forms provided on SHAREPOINT and will be evaluated annually during the O&M Manual review by the respective sections' SME or document owner.

This annual (not to exceed 15 months) review will not preclude the immediate modification of any procedure should circumstances warrant such a change.

OM Section A also mentioned various other programs that Citgo maintains manuals for, including but not limited to, Integrity Management Plans, Corrosion Manuals and Control Room Management Plans. When PHMSA asked Citgo if these manuals and all referenced documents, forms and site-specific procedures were included in the required § 195.402(a) at intervals not exceeding 15 months but at least once each calendar year, Citgo stated that they are not, and operate on various intervals for review. However, per § 195.402(c) these manuals are required to be a part of the manual required by § 195.402(a) and are subject to its review interval.

PHMSA reviewed example Citgo documents such as: *Integrity Management Program for Hazardous Liquids Pipelines Integrity Assessment – TPL-EPCC-LIMP03, dated 09/23/22 (IMP)*, *Integrity Management Program for Hazardous Liquids Pipelines Pipeline Risk Assessment – TPL-EPCC-LIMP05, dated 09/23/22 (IMP)*, *Incident Notification, Reporting and Investigation – HSE-STD-SAF-013, dated 10/12/22 (HSE)*, *Terminals and Pipelines – Internal Corrosion – TPL-EPCC-CCG12, dated 9/18/19 (IC)* and *Facility Response Plans (all), dated 2023 (FRP)*.

The IMP stated in part: Review cycle – 5 years.

The HSE stated in part: Review cycle – 3 years.

The IC stated in part: Review cycle – 5 years.

The FRP stated in part: This plan will be reviewed annually.

Therefore, Citgo procedures failed to state the manuals shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, in accordance with § 195.402(a). Citgo must revise its procedures to address this requirement.

12. § 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.

Citgo's procedures for maintenance and normal operation were inadequate. Specifically, Citgo's *OM Manual Section K – Corrosion Control, dated 08/31/21 (OM - Section K)*, 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.

During the inspection, PHMSA requested Citgo's procedure for atmospheric corrosion inspections. Citgo provided the OM – Section K. Citgo's OM - Section K, page K-9 stated in part:

All onshore aboveground piping shall be inspected at least once every 3 calendar years, but with intervals not exceeding 39 months (§195.583 (a))...and inspect each segment of the facility. This may have to be divided up into groups such as tank piping, manifold piping, etc.... all atmospheric inspections shall be documented according to the following: Aboveground piping/components - Atmospheric Coatings Inspection Report, Spans or normally exposed pipe - Span or Exposed Pipe Inspection Form.

While the OM – Section K did identify the proper frequency for inspection, it failed to include any detailed procedures for evaluating the existence or severity of these coating and atmospheric corrosion conditions for the purposes of requiring or prioritizing remediation. The OM – Section K also failed to include any process details addressing how the atmospheric corrosion inspection is to be documented aside from referencing the forms to be used. When PHMSA requested if there were additional procedures or guidance related to atmospheric corrosion, Citgo discussed that they do not document the actual conditions, rather they only document a suggested repair and prioritization schedule, if needed.

Therefore, Citgo'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. Citgo must revise its procedures to address this deficiency.

13. § 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.

Citgo's procedures for maintenance and normal operation were inadequate. Specifically, Citgo's *OM Manual Section K – Corrosion Control, dated 08/31/21* (OM - Section K), failed to adequately detail when and how cathodic protection systems will be inspected on its breakout tanks, in accordance with § 195.573(d).

During the inspection, PHMSA requested Citgo's procedure for breakout tank cathodic protection. Citgo provided the OM – Section K. Citgo's OM - Section K stated in part:

Cathodic protection of Aboveground Storage Tanks (AST) shall be in accordance with NACE Standard RP0193-2001, "External Cathodic Protection of On-Grade Carbon Steel Storage Tank Bottoms," Title 49 CFR 195 and API Recommended practice 651-2007 Third Edition, Cathodic Protection of Above Ground Storage Tanks, and Cathodic protection shall be installed in accordance with API Recommended Practice 651 in order to protect the bottoms of aboveground breakout tanks of more than 500 barrel capacity and built to latest versions of API Specification 12F, API Standard 620, or API Standard 650 (or its predecessor

Standard 12C). For breakout tanks, each cathodic protection system used to control corrosion on the bottom of an aboveground breakout tank must be inspected to ensure that operation and maintenance of the system are in accordance with API Recommended Practice 651. The results of this inspection shall be reported in the "Annual Cathodic Protection Survey Report" or electronic equal and retained according to paragraph Records of this section.

While the OM – Section K did identify that cathodic protection shall be in accordance with NACE RP-0193 and shall be installed in accordance with API RP 651, it failed to include any details on a proper frequency for inspection, any instruction on how the inspections will be conducted and documented, and procedures for how cathodic protection readings are taken on each breakout tank depending on the type of cathodic protection system installed.

Furthermore, during the inspection, Citgo noted that a single form can be used to document an inspection of each and every breakout tank in the facility. However, the procedures failed to provide any instruction or reference in how this would be conducted. When PHMSA requested if there were additional information, Citgo did not provide any further details.

Therefore, Citgo's procedures failed to adequately detail when and how cathodic protection systems will be inspected on its breakout tanks, in accordance with § 195.573(d). Citgo must revise its procedures to address this deficiency.

14. § 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.

Citgo's procedures for maintenance and normal operation were inadequate. Specifically, Citgo's *OM Manual Section K – Corrosion Control*, dated 08/31/21 (OM - Section K), failed to require and include a process to verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures established under § 195.402(c)(3) for which they are responsible for insuring compliance.

Section § 195.555 stated in part:

You must require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures established under § 195.402(c)(3) for which they are responsible for insuring compliance.

During the inspection, PHMSA requested Citgo's procedures regarding the § 195.555 requirements. Citgo provided the OM – Section K. Citgo's OM - Section K stated in part: the Supervisor of Corrosion Control shall review and update Section K of the O&M Manual annually, not to exceed 15 months.

While the OM – Section K did identify a requirement to review the Section K of the O&M manually at a set interval, the procedures failed to include a review of all incorporated by reference cathodic protection related procedures and forms as part of the review for the supervisors.

When PHMSA requested follow-up information on why all cathodic protection related procedures, references and forms were not required to be included as part of the supervisors' annual review to maintain knowledge on the applicable procedures, Citgo confirmed that only Section K was part of this review.

Therefore, Citgo's procedures failed to require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures established under § 195.402(c)(3) for which they are responsible for insuring compliance. Citgo must revise its procedures to address this deficiency.

15. § 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.

Citgo's procedures for maintenance and normal operations were inadequate. Specifically, Citgo's *OM Manual Section K – Corrosion Control, dated 08/31/21* (OM - Section K) failed to include details on protecting the pipeline against damage from fault currents or lightning, in accordance with § 195.575(e).

Section § 195.575(e) stated in part:

If a pipeline is in close proximity to electrical transmission tower footings, ground cables, or counterpoise, or in other areas where it is reasonable to foresee fault currents or an unusual risk of lightning, you must protect the pipeline against damage from fault currents or lightning and take protective measures at insulating devices.

During the inspection, PHMSA requested Citgo's procedures for fault current and lightning protection. Citgo provided the OM – Section K. The OM – Section K reiterated the § 195.575(e) requirements and failed to include any process or details for how Citgo protects the pipeline against damage from fault currents or lightning. When PHMSA asked for additional details regarding the requirements, Citgo discussed a grounding inspection form for all tanks and provided *New Tanks – Bottoms, Leak Detection and Ignition Protection – TPL-EPCC-TK100, dated 04/01/22* (New Tank Procedure).

The New Tank Procedure stated in part: The purpose of this specification is to provide requirements for tank bottom installation and protection against ignitions arising from static,

lightning, and stray currents on newly constructed tanks.

The New Tank Procedure, however, was not incorporated or referenced into the OM manual. Furthermore, the New Tank Procedure applies only to newly constructed breakout tanks. It failed to include details on how the pipeline is protected against fault currents and lightning, as well as any discussion related to the Citgo tank grounding inspection form discussed by Citgo during the inspection.

Therefore, Citgo's procedures failed to include details for protecting the pipeline against damage from fault currents or lightning in accordance with § 195.575(e). Citgo must revise its procedures to address this requirement.

16. § 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.*

Citgo's procedures for maintenance and normal operations were inadequate. Specifically, Citgo's *OM Manual Section K – Corrosion Control, dated 08/31/21* (OM - Section K) failed to include details on providing adequate direction for the utilization of corrosion inhibitors, in accordance with § 195.579(b).

Section § 195.579(b) stated in part:

Inhibitors. If you use corrosion inhibitors to mitigate internal corrosion, you must -

(1) Use inhibitors in sufficient quantity to protect the entire part of the pipeline system that the inhibitors are designed to protect; (2) Use coupons or other monitoring equipment to determine the effectiveness of the inhibitors in mitigating internal corrosion; and (3) Examine the coupons or other monitoring equipment at least twice each calendar year, but with intervals not exceeding 7 1/2 months.

During the inspection, PHMSA requested Citgo's procedures regarding the § 195.579(b) requirements. Citgo provided the OM – Section K. The OM – Section K reiterated the § 195.579(b) requirements and failed to include any process or details for how Citgo utilizes corrosion inhibitors, coupons or other monitoring equipment such as electrically resistance probes. When PHMSA asked for additional details regarding the requirements, Citgo provided *Internal Corrosion – TPL-EPCC-CCG12, dated 09/18/19* (IC Procedure).

The IC Procedure, however, was not incorporated or referenced into the OM manual. When PHMSA confirmed this information with Citgo, Citgo stated that they follow this process in the IC Procedure but it is not incorporated in the OM manual.

Therefore, Citgo's procedures failed to include details on providing adequate direction for the utilization of corrosion inhibitors, in accordance with § 195.579(b). Citgo must revise its procedures to address this requirement.

17. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) ...

(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:

(1) ...

(2) Prompt and effective response to a notice of each type emergency, including fire or explosion occurring near or directly involving a pipeline facility, accidental release of hazardous liquid or carbon dioxide from a pipeline facility, operational failure causing a hazardous condition, and natural disaster affecting pipeline facilities.

Citgo's procedures for providing safety during an emergency condition were inadequate. Specifically, Citgo's Facility Response Plans failed to include details for a prompt and effective response to a notice of each type of emergency, including fire or explosion occurring near or directly involving a pipeline facility, accidental release of hazardous liquid or carbon dioxide from a pipeline facility, operational failure causing a hazardous condition, and natural disaster affecting pipeline facilities. in accordance with § 195.402(e)(2).

During the inspection, PHMSA requested the procedures regarding responses to each type of emergency, fire, explosion, release, failure or natural disaster affecting the pipeline. Citgo provided, *Gulf Coast Response Zone – FRP, dated 02/23/23, Linden FRP, dated 02/23/23, Niles FRP, dated 03/09/23, Port Everglades FRP, dated 02/23/23 and Toledo FRP, dated 02/23/23* (FRP). Citgo also identified that the emergency manual required by § 195.402(e) is the FRPs.

The FRP Section 2 discussed basic procedures which would occur at the terminal in the event of an evacuation, tornado, hurricane, flood, medical, bomb threat and fire/explosion. However, the FRP did not include any details regarding providing safety during an emergency related to the pipelines outside of the facilities. When PHMSA asked where this information was located, Citgo stated that the processes in the FRP are related to the terminal and not to the jurisdictional pipeline assets.

Therefore, Citgo's procedures failed to include details for a prompt and effective response to a notice of each type of emergency, in accordance with § 195.402(e)(2). Citgo must revise its procedures to address this requirement.

18. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) ...

(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:

(1) ...

(5) Control of released hazardous liquid or carbon dioxide at an accident scene to minimize the hazards, including possible intentional ignition in the cases of flammable highly volatile liquid.

Citgo's procedures for providing safety during an emergency condition were inadequate. Specifically, Citgo's Facility Response Plans failed to include details for a prompt and effective response to a notice of each type of emergency, including fire or explosion occurring near or directly involving a pipeline facility, accidental release of hazardous liquid or carbon dioxide from a pipeline facility, operational failure causing a hazardous condition, and natural disaster affecting pipeline facilities in accordance with § 195.402(e)(5).

During the inspection, PHMSA requested the procedures regarding controlling the release of hazardous liquids at an accident scene to minimize hazards and potential ignition.

Citgo provided, *Gulf Coast Response Zone – FRP, dated 02/23/23, Linden FRP, dated 02/23/23, Niles FRP, dated 03/09/23, Port Everglades FRP, dated 02/23/23 and Toledo FRP, dated 02/23/23* (FRP). Citgo also identified that the emergency manual required by § 195.402(e) is the FRPs.

The FRP Section 2.8 stated in part: if the fire/explosion is a result of a pipe rupture, isolate the product release by closing valves. Additionally, Section 2.1 of the FRP addressed spills that have not yet ignited. However, the FRP did not include any details or processes regarding how Citgo would control a potential release of hazardous liquids at an accident scene outside of the facilities to minimize the hazards, including possible intentional ignition. When PHMSA asked where this information was located, Citgo stated that the processes in the FRP are related to the terminal and not to the jurisdictional pipeline assets.

Therefore, Citgo's procedures failed to include details for controlling the release of a hazardous liquid at an accident scene to minimize the hazards and potential ignition, in accordance with § 195.402(e)(2). Citgo must revise its procedures to address this requirement.

19. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) ...

(e) *Emergencies.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:

(1) ...

(7) Notifying the appropriate public safety answering point (i.e., 9-1-1 emergency call center), where direct access to a 9-1-1 emergency call center is available from the location of the pipeline, and fire, police, and other public officials, of hazardous liquid or carbon dioxide pipeline emergencies to coordinate and share information to determine the location of the release, including both planned responses and actual responses during an emergency, and any additional precautions necessary for an emergency involving a pipeline transporting a highly volatile liquid (HVL). The operator must immediately and directly notify the appropriate public safety answering point or other coordinating agency for the communities and jurisdiction(s) in which

the pipeline is located after notification of potential rupture, as defined at § 195.2, has occurred to coordinate and share information to determine the location of the release, regardless of whether the segment is subject to the requirements of § 195.258 (c) or (d), § 195.418, or § 195.419.

Citgo's procedures for providing safety during an emergency condition were inadequate. Specifically, Citgo's Facility Response Plans failed to include details on notifying fire, police, and other appropriate public officials of hazardous liquid emergencies and coordinating with them preplanned and actual responses during an emergency, in accordance with § 195.402(e)(7).

During the inspection, PHMSA requested the procedures regarding the § 195.402(e)(7) requirements. Citgo provided, *Gulf Coast Response Zone – FRP, dated 02/23/23, Linden FRP, dated 02/23/23, Niles FRP, dated 03/09/23, Port Everglades FRP, dated 02/23/23 and Toledo FRP, dated 02/23/23* (FRP). Citgo also identified that the emergency manual required by § 195.402(e) is the FRPs.

The FRP Section 3.1-5 listed external notifications and telephone numbers. However, the FRP did not include any details on notifying the appropriate public safety answering point from the location of the pipeline, and fire, police and other public officials of hazardous liquid emergencies to coordinate and share information. When PHMSA asked where this information was located, Citgo was unable to provide further information.

Therefore, Citgo's procedures failed to include details on notifying fire, police, and other appropriate public officials of hazardous liquid emergencies and coordinating with them preplanned and actual responses during an emergency, in accordance with § 195.402(e)(7). Citgo must revise its procedures to address this requirement.

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 Enforcement 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 30 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 Citgo Pipeline Co maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 1-2024-032-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings