



CITGO Petroleum Corporation

P.O. Box 4689
Houston, TX 77210-4689

August 4, 2024

Mr. Robert Burrough
Director, Eastern Region
U.S. Department of Transportation
Pipeline & Hazardous Materials Safety Administration

Re: CPF 1-2024-032-NOA

Mr. Burrough:

This letter is in response to the recent PHMSA Notice of Amendment letter received on July 5, 2024, as part of an integrated inspection of CITGO Petroleum Corporation (CITGO) procedures.

Last year, PHMSA inspectors performed various onsite and virtual inspections of CITGO assets, records, and procedures. After the completion of these inspections and requested items, CITGO provided responses to PHMSA's Written Preliminary Findings, by letter emailed on October 27, 2023.

CITGO would like PHMSA to consider the following response and can provide any additional supporting information as necessary.

Should you have any questions, please reach out to me at amart12@citgo.com or (346) 432-3952.

Best Regards,

Andrew Martinez
Pipeline Compliance Manager
Terminal Facilities and Pipelines
CITGO Petroleum Corporation

Cc: J. McCrossin
S. Buckner
L. Perez

Preliminary Findings (Procedures Only)

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

Finding Summary: CITGO FRPs annual review requirements do not currently state they will be performed "annually not to exceed 15 months."

Regulation: 195.402(a)

CITGO Response: To address this concern, our EHSS group is working with our vendor to revise our Facility Response Plans. Updates will be made Introduction Section 1-2 and Appendix A – Training / Exercises, Section A.2. The new annual review form will also be attached as an addendum to the plan to be used for consistent documentation of annual reviews across all CITGO sites.

At this time, CITGO is requesting a 60-day extension from the date of this letter to allow for ample time to make necessary amendments and provide revisions to PHMSA.

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

Finding Summary: CITGO OM did not provide adequate detail for reporting abandonment or deactivation of facilities.

Regulation: 195.59

CITGO Response: As noted during the inspection, our O&M manual is currently undergoing procedural improvements to provide additional references, clarity, and overall readability of our procedures. CITGO has since completed the procedural updates to OM Section Q (TPL-DOT-214) to provide the necessary information for reporting abandonments or deactivation of facilities.

Reference attachment: NOA Item #2 – TPL-DOT-214.

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

Finding Summary: CITGO OM failed to provide instructions for identifying conditions that may potentially be SRCs.

Regulation: 195.55

CITGO Response: During the inspection, it was discussed with PHMSA representatives that OM Section G (Accident Reporting) includes detail for identifying and reporting Safety Related Conditions (SRCs). Section G-22 explicitly lists items to be considered SRCs per PHMSA; CITGO does not have any separate criteria. Additionally, Section G 25-27 provides further guidance on what events may qualify each SRC as described per 195.55. We believe that this information satisfies the alleged deficiency.

CITGO understands that some AOCs may lead to SRCs, and any items of concern that would be observed in the field would be immediately reported to area management. From our discussions, CITGO believes there to be some confusion from PHMSA representatives between an "abnormal operating condition" (AOC) and a "safety related condition" (SRC). Our O&M Section G addresses reporting accidents and safety related conditions to PHMSA. Details for identifying, reporting, and responding to AOCs are provided under O&M Section T which was also reviewed during the inspection.

At this time, CITGO believes our plans are compliant with this requirement and provide sufficient information to allow our employees to recognize, respond to, and report SRCs per 195.55.

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

Finding Summary: CITGO's Integrity Management Plan for Hazardous Liquid Pipelines failed to contain an analysis that integrates all available information about the integrity of the entire pipeline(s) and the consequence of a failure.

Regulation: 195.452(f)(3)

CITGO Response: It is our belief that current procedures meet PHMSA requirements, but we are willing to make amendments to improve the description of our processes. Our Integrity Management group will add details within the Integrity Management Plan that describes our existing integration process for integrating all available information about the integrity of our pipelines and consequences of a pipeline failure.

At this time, CITGO is requesting a 60-day extension from the date of this letter to allow for ample time to make necessary amendments and provide revisions to PHMSA.

5. § 195.402 Procedural manual for operations, maintenance, and emergencies.

Finding Summary: CITGO's Integrity Management Plan for Hazardous Liquid Pipelines failed to contain a process for prioritizing repairs for non-HCA segments outside of Immediate Hazard Conditions.

Regulation: 195.401(b)(3)

CITGO Response: CITGO's Integrity Management group will address this area of concern with revision to the Integrity Management Plan for Hazardous Liquid Pipelines.

At this time, CITGO is requesting a 60-day extension from the date of this letter to allow for ample time to make necessary amendments and provide revisions to PHMSA.

6. § 195.402 Procedural manual for operations, maintenance, and emergencies.

Finding Summary: CITGO's Integrity Management Plan for Hazardous Liquid Pipelines failed to include any set requirement to conduct a leak detection evaluation at a specified interval.

Regulation: 195.452(i)(3)

CITGO Response: After the inspection, CITGO Integrity Management took the opportunity to address this area of concern. A revision to the IMP from November 2023, has expanded on our current process under LIMP-11 to include more detail on deadlines for conducting leak detection evaluations.

Reference attachment: NOA Item #6 – Nov 2023 Revision: LIMP-11.

7. § 195.402 Procedural manual for operations, maintenance, and emergencies.

Finding Summary: CITGO 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).

Regulation: 195.444(c)

CITGO Response: It is our belief that current procedures meet PHMSA requirements, but we are willing to make amendments to improve our processes. Our CRM Supervisor and Operations will be working to

revise CITGO plans to include additional detail regarding how CITGO CPM leak detection systems comply with API RP-1130 in accordance with 195.444(c).

At this time, CITGO is requesting a 60-day extension from the date of this letter to allow for ample time to make necessary amendments and provide revisions to PHMSA.

8. § 195.402 Procedural manual for operations, maintenance, and emergencies.

Finding Summary: CITGO FRPs failed to include details covering the notification process of a potential rupture.

Regulation: 195.417

CITGO Response: It is our belief that current procedures meet PHMSA requirements, but we are willing to make amendments to improve our processes. Our EHSS group is working with our vendor to revise our Facility Response Plans. Updates will be made to Section 2.1.1 Spill Detection and Mitigation Procedures to include “notification of potential rupture” and required response actions. Additionally, it will also be included under Section 3.1 – Emergency Information and Notification Procedures which provides a notification flow chart for employees.

At this time, CITGO is requesting a 60-day extension from the date of this letter to allow for ample time to make necessary amendments and provide revisions to PHMSA.

9. § 195.402 Procedural manual for operations, maintenance, and emergencies.

Finding Summary: CITGO failed to provide adequate details in its procedures for overpressure safety device inspection and testing in accordance with § 195.428(a).

Regulation: 195.428(a)

CITGO Response: During the inspection, it was discussed with PHMSA representatives that OM Section J “Scheduled Inspection and Maintenance” covers the inspection and maintenance of overpressure safety devices under J-29-33. This includes inspection interval requirements, type of devices, inspection process for each component type, and the corresponding inspection form.

While it may be the inspectors’ preference that CITGO forms should include additional detail not currently specified under 195.428, we do define and maintain an adequate process to maintain and test our pressure limiting devices. CITGO believes our plans are compliant with the requirements under 195.428(a) for inspecting and testing overpressure safety devices and provide ample guidance to perform this task. To push continuous improvement, CITGO has made a revision to *CPL-31 Overpressure Safety Device Inspection Form*.

Reference attachment: NOA Item #9 – Revised CPL-31 form.

10. § 195.402 Procedural manual for operations, maintenance, and emergencies.

Finding Summary: 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).

Regulation: 195.405(a)

CITGO Response: It is our belief that current procedures meet PHMSA requirements, but we are willing to make amendments to improve our processes. We are currently in the process of making updates to our O&M manual, Section J, particularly regarding "Protection Against Ignitions During Operation & Maintenance of Breakout Tanks."

Additionally, this will result in a revision to TK-100 and TK-102 to include provisions for protecting against ignitions arising from static electricity, lightning, and stray currents for both existing and new tanks.

At this time, CITGO is requesting a 60-day extension from the date of this letter to allow for ample time to make necessary amendments and provide revisions to PHMSA.

11. § 195.402 Procedural manual for operations, maintenance, and emergencies.

Finding Summary: 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).

Regulation: 195.402(a)

CITGO Response: CITGO understands the requirements described under 195.402(a). During the inspection, procedures, and records were observed to show compliance with this CFR. As noted in the PHMSA NOA letter, dated 07/05/2024, our O&M stated "This annual (not to exceed 15 months) review will not preclude the immediate modification of any procedure should circumstances warrant such a change." To clarify, this verbiage requires that the CITGO O&M manual and emergency procedures be reviewed per 195.402(a) but also allows for updates on an as-needed basis throughout the year.

While CITGO reviews all programs and corporate procedures on a periodic basis, it was noted that the review cycles in question for HSE, IC, IMP, and FRP documents are the minimum required intervals. It is not CITGO's opinion that the requirements of 195.402(a) extend to these programs in question. Records of CITGO annual program reviews (CPL-09 forms) were presented during the inspection and shown to meet the annual not to exceed 15-month requirements.

Regarding CITGO Integrity Management Plan, we believe the annual review requirements under 195.402(a) explicitly refer to "...procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies." The activities associated with the CITGO IMP do not currently meet these criteria. Furthermore, there is no review cycle specified under 195.452, as there currently is for OM and CRM under 195.402 and 195.446, respectively. Therefore, CITGO believes it is up to the Operator to establish a program review cycle commensurate with IM activities.

12. § 195.402 Procedural manual for operations, maintenance, and emergencies.

Finding Summary: CITGO 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.

Regulation: 195.583

CITGO Response: It is our belief that current procedures meet PHMSA requirements, but we are willing to make amendments to improve our processes. CITGO intends to provide added details of our methodology for evaluating the severity of coating and atmospheric corrosion deficiencies of pipe inspected pursuant to 195.583.

At this time, CITGO is requesting a 60-day extension from the date of this letter to allow for ample time to make necessary amendments and provide revisions to PHMSA.

13. § 195.402 Procedural manual for operations, maintenance, and emergencies.

Finding Summary: CITGO procedures failed to adequately detail when and how cathodic protection systems will be inspected on its breakout tanks, in accordance with § 195.573(d).

Regulation: 195.573(d)

CITGO Response: After the inspection, the CITGO Corrosion Supervisor took the opportunity to address this area of concern. A revision to the OM Section K from November 2023, has expanded on our current process to define how cathodic protection systems will be inspected on breakout tanks. The updates completed under this revision can be found under subsection 5.3 – Cathodic Protection Monitoring and 5.3.4.2.

CITGO would like to address the comment under the NOA letter stating “...Citgo noted that a single form can be used to document an inspection of each and every breakout tank in the facility...” and clarify this may have been incorrectly noted on the NOA. The record concern this pertains to is regarding “CITGO Monthly Breakout Tank Inspection” (CPL-10) forms. The records observed for tank CP readings are pulled from the CPDM database and are not manually recording multiple tanks on one form, but rather represent an individual list of inspection points for each location. Regarding CPL-10 forms, it was explained to PHMSA reps that our forms allow for this, and should any deficiencies be found, they would be recorded on separate forms.

Reference attachment: NOA Item #13 – Nov 2023 Revision: OM Section-K.

14. § 195.402 Procedural manual for operations, maintenance, and emergencies.

Finding Summary: CITGO 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 ensuring compliance.

Regulation: 195.555

CITGO Response: It is our belief that current procedures meet PHMSA requirements, but we are willing to make amendments to improve our processes. Our Corrosion Supervisor is revising OM Section-K, subsection 3.1.2 to include corrosion-related referenced documents and upload them to TRAINS going forward to maintain Corrosion Supervisor training and improve recordkeeping.

At this time, CITGO is requesting a 60-day extension from the date of this letter to allow for ample time to make necessary amendments and provide revisions to PHMSA.

15. § 195.402 Procedural manual for operations, maintenance, and emergencies.

Finding Summary: CITGO procedures failed to include details for protecting the pipeline against damage from fault currents or lightning in accordance with 195.575(e).

Regulation: 195.575(e)

CITGO Response: It is our belief that current procedures meet PHMSA requirements, but we are willing to make amendments to improve our processes. Our Corrosion Supervisor will incorporate additional detail under OM Section K 5.7.2 - Inspections, Tests, and Safeguards Requirements.

At this time, CITGO is requesting a 60-day extension from the date of this letter to allow for ample time to make necessary amendments and provide revisions to PHMSA.

16. § 195.402 Procedural manual for operations, maintenance, and emergencies.

Finding Summary: CITGO procedures failed to include details on providing adequate direction for the utilization of corrosion inhibitors, in accordance with § 195.579(b).

Regulation: 195.579(b)

CITGO Response: It is our belief that current procedures meet PHMSA requirements, but we are willing to make amendments to improve our processes. Our Corrosion Supervisor is revising OM Section-K, to address current corrosion inhibitor use practices at CITGO.

At this time, CITGO is requesting a 60-day extension from the date of this letter to allow for ample time to make necessary amendments and provide revisions to PHMSA.

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

Finding Summary: CITGO 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).

Regulation: 195.402(e)(2)

CITGO Response: It is our belief that current procedures meet PHMSA requirements, but we are willing to make amendments to improve our processes. Our EHSS group is working with our vendor to make necessary revisions to our Facility Response Plans. Updates will be made to Section 2 of the FRP, which addresses Initial Response Actions. We plan to include additional detail for responding to each type of emergency.

At this time, CITGO is requesting a 60-day extension from the date of this letter to allow for ample time to make necessary amendments and provide revisions to PHMSA.

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

Finding Summary: CITGO 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).

Regulation: 195.402(e)(2)

CITGO Response: It is our belief that current procedures meet PHMSA requirements, but we are willing to make amendments to improve our processes. Our EHSS group is working with our vendor to make necessary revisions to our Facility Response Plans. Updates will be made to Section 2 of the FRP, which addresses Initial Response Actions. We plan to include additional detail for controlling the release of a hazardous liquid at an accident scene to minimize the hazards and potential ignition.

At this time, CITGO is requesting a 60-day extension from the date of this letter to allow for ample time to make necessary amendments and provide revisions to PHMSA.

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

Finding Summary: CITGO 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).

Regulation: 195.402(e)(7)

CITGO Response: CITGO maintains that our current plans contain adequate 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). It was discussed during the audit, for terminal facilities, the notification requirements are listed for each event type under Section 2 to include fire, police, and other officials. Each Facility Response Plan includes a local list of contact numbers under Section 3 - Notifications / Telephone Numbers.

During an emergency event, CITGO personnel would refer to their FRPs under the corresponding event type (Section 2) of the "Initial Response Actions" section in the manual. CITGO personnel are provided a response action and notification checklist for both, manned and unmanned (24hr) facilities. Each emergency response type requires initial notification to local police and fire departments (911), local Supervisory Personnel, and Corporate Emergency Hot Line.

Upon receiving notification of an emergency event, local Supervisory Personnel will refer to Section 3 of the FRP manual to make additional notifications as required. Section 3 includes an Emergency Notification Flow Chart 3.1-1 (below), an oil spill report form, as well as an extensive list of internal and external notification numbers which include various public officials and government agencies.