



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628
609.771.7800

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

OVERNIGHT EXPRESS DELIVERY

August 30, 2024

Mr. Carlos Jordá
President and Chief Executive Officer
Citgo Petroleum Corporation (Terminals)
1289 Eldridge Parkway
Houston, Texas 77077

CPF 1-2024-038-NOPV

Dear Mr. Jordá:

From April 17, 2023 through April 21, 2023, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.), conducted an integrated inspection of Citgo Petroleum Corporation Terminals' (Citgo) facilities in Everglades, Florida.

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. § 195.310 Records.

(a) A record must be made of each pressure test required by this subpart, and the record of the latest test must be retained as long as the facility tested is in use.

(b) The record required by paragraph (a) of this section must include:

- (1) The pressure recording charts;**
- (2) Test instrument calibration data;**

- (3) The name of the operator, the name of the person responsible for making the test, and the name of the test company used, if any;**
- (4) The date and time of the test;**
- (5) The minimum test pressure;**
- (6) The test medium;**
- (7) A description of the facility tested and the test apparatus;**
- (8) An explanation of any pressure discontinuities, including test failures, that appear on the pressure recording charts; and,**
- (9) Where elevation differences in the section under test exceed 100 feet (30 meters), a profile of the pipeline that shows the elevation and test sites over the entire length of the test section.**
- (10) Temperature of the test medium or pipe during the test period.**

Citgo failed to make and retain a complete record of each pressure test in accordance § 195.310(a) and (b). Specifically, Citgo failed to make and retain an adequate hydrotest record of the latest test of its Beeline pipeline that contains the details of the test required by § 195.310(b).

During the inspection, PHMSA requested records related to pressuring testing of the 8" Beeline pipeline. Citgo provided the *Eisenman and Elliott Beeline Pipeline Inquiry Document*, dated 07/02/87 (Hydrotest Record). However, the Hydrotest Record provided was missing information required by § 195.310(b), including the pressure recording charts, test instrumentation calibration data, the name of the person responsible for making the test/ the name of the test company used, if any, the minimum test pressure, the test medium, a description of the facility tested and the test apparatus, an explanation of any pressure discontinuities(including test failures) that appear on the pressure recording charts where elevation differences in the section under test exceed 100 feet, a profile of the pipeline that shows the elevation and test sites over the entire length of the test section, and the temperature of the test medium or pipe during the test period. When PHMSA inquired further about the missing information on the hydrotest record, Citgo stated that the record provided is an affidavit and that the test was conducted but they have no record of the test taking place and are unable to locate any traceable documents. Citgo also stated they have not since conducted a pressure test on the pipeline and have no further records.

Therefore, Citgo failed to make and retain a complete record of each pressure test in accordance § 195.310(a) and (b).

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 failed to complete a review of written procedures at intervals not exceeding 15 months, but at least once each calendar year to insure that the emergencies response manual was effective. Specifically, Citgo failed to conduct its 2021 calendar year annual review of its emergency manual for the Port Everglades, Florida facility at the required interval in accordance with § 195.402(a).

During the inspection, PHMSA requested the annual review records for Citgo's emergency manual for calendar years 2020 and 2021. Citgo and PHMSA discussed that its *Port Everglades FRP-EPA PHMSA*, last revised 2/23/23, is also its emergency procedures pursuant to § 195.402(a). Citgo provided the *Annual Review of Facility Response Plan by Facility Team Members record*, dated 10/20/21 and *Participant Registration Sheet*, dated 05/21/20 (Annual ERP Review). The interval between the 2020 and 2021 calendar year Annual ERP Review exceeded the 15-month interval by approximately 59 days. When PHMSA inquired about the emergency manual annual review being conducted late, Citgo did not provide any further information.

Therefore, Citgo failed to conduct its calendar year 2021 annual review of its Port Everglades, Florida facility emergency manual at the required interval in accordance with § 195.402(a).

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 failed to conduct an annual review of its operations and maintenance manual at intervals not exceeding 15 months but at least once each calendar year. Specifically, Citgo failed to conduct an adequate annual review of its operations and maintenance manual for calendar years 2020, 2021 and 2022, in accordance with § 195.402(a).

During the inspection, PHMSA requested annual review records of the operations and maintenance manual for calendar years 2020 through 2022. Citgo provided the *Operations & Maintenance / Emergency Procedures Plans/ OQ Plan Review Record*, dated 12/15/22, 11/4/21 and 01/22/20. When PHMSA inquired about whether the annual review covers the Citgo integrity management manual as well as all incorporated by reference documents, Citgo discussed that the annual review only covers operations and maintenance, emergency plans, and operator qualification plans.

Citgo provided the *Integrity Management Program for Hazardous Liquid Pipelines – TPL-EPCC-LIMP*, dated 10/01/22 (LIMP). The LIMP stated in part "Review Cycle – 5 Years." The LIMP states an incorrect frequency for review, as it is required to be a part of the operations and maintenance manual pursuant to § 195.402(c)(3) and thus subject to the review frequency of § 195.402(a).

Therefore, Citgo failed to conduct an adequate annual review of its operations and maintenance manual for calendar years 2020, 2021, and 2022, in accordance with § 195.402(a).

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)

(13) Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.

Citgo failed to conduct periodic reviews of the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found as required by § 195.402(c)(13). Specifically, Citgo failed to conduct performance reviews in calendar years 2020, 2021 and 2022.

During the inspection, PHSMA requested records related to § 195.402(c)(13) for calendar years 2020 through 2022. Citgo provided *Annual Review of Employee Performance*, dated 2020, 2021 and 2022 (Performance Reviews). The Performance Reviews, however, indicated an annual review of the employee's job performance, not an effectiveness review of procedures pursuant to § 195.402(c)(13). The Performance Reviews failed to indicate what effectiveness reviews were conducted of the work done, what procedure was reviewed by operator personnel in normal operation and maintenance tasks, when the task was completed and what corrective actions were taken if any deficiencies were found.

Therefore, Citgo failed to conduct periodic reviews of the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found in calendar years 2020, 2021 and 2022 in accordance with § 195.402(c)(13).

5. § 195.403 Emergency response training.

(a)

(c) Each operator shall require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under 195.402 for which they are responsible to ensure compliance.

Citgo failed to require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under § 195.402 for which they are responsible for ensuring compliance. Specifically, Citgo failed to provide adequate records demonstrating compliance during calendar years 2020 through 2022 with § 195.403(c).

During the inspection PHMSA requested emergency response supervisor training records for

calendar years 2020 through 2022. Citgo provided its *Annual Review of Employee Performance*, dated 2022 (Performance Reviews). The Performance Review, however, did not demonstrate that Citgo verified that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under § 195.402 for which they are responsible to ensure compliance.

The Performance Review did not include any specific details regarding how Citgo requires and verifies that its supervisors are knowledgeable of the emergency response procedures for which they are responsible for, any references to § 195.403(c), or any other information on how and where these requirements are documented. When PHMSA requested additional information on how Citgo meets compliance to the regulation, Citgo stated there is no set form that is used to document this data.

Therefore, Citgo failed to require and verify that its supervisors maintain a thorough knowledge of that portion of the emergency response procedures established under § 195.402 for which they are responsible for ensuring compliance during calendar years 2020 through 2022, in accordance with § 195.403(c).

6. § 195.406 Maximum operating pressure.

(a) Except for surge pressures and other variations from normal operations, no operator may operate a pipeline at a pressure that exceeds any of the following:

(1) The internal design pressure of the pipe determined in accordance with § 195.106. However, for steel pipe in pipelines being converted under § 195.5, if one or more factors of the design formula (§ 195.106) are unknown, one of the following pressures is to be used as design pressure

(i) Eighty percent of the first test pressure that produces yield under section N5.0 of appendix N of ASME/ANSI B31.8 (incorporated by reference, see § 195.3), reduced by the appropriate factors in §§ 195.106 (a) and (e); or

(ii) If the pipe is 12 3/4 inch (324 mm) or less outside diameter and is not tested to yield under this paragraph, 200 p.s.i. (1379 kPa) gage.

(2) The design pressure of any other component of the pipeline.

(3) Eighty percent of the test pressure for any part of the pipeline which has been pressure tested under subpart E of this part.

(4) Eighty percent of the factory test pressure or of the prototype test pressure for any individually installed component which is excepted from testing under § 195.305.

(5) For pipelines under §§ 195.302(b)(1) and (b)(2)(i) that have not been pressure tested under subpart E of this part, 80 percent of the test pressure or highest operating pressure to which the pipeline was subjected for 4 or more continuous hours that can be demonstrated by recording charts or logs made at the time the test or operations were conducted.

Citgo failed to maintain records that demonstrate that the maximum operating pressure (MOP) of its jurisdictional pipeline segments were determined in accordance with § 195.406(a). Specifically, Citgo failed to maintain records demonstrating the internal design pressure of the pipe and the pipeline components were pursuant to § 195.406(a) to support its MOP determination for the 8-inch Beeline pipeline.

During the inspection, PHMSA requested records to support the maximum operating pressure of the pipeline. Citgo provided the *Eisenman and Elliott Beeline Pipeline Inquiry Document*, dated 07/02/87 (Hydrotest Record). Citgo did not provide documentation related to the design pressure of the valves and components in the pipeline system, as well as any calculation related to how Citgo determined the maximum operating pressure of the Beeline Pipeline in accordance with § 195.406(a). The Hydrotest Record did not demonstrate compliance to § 195.406(a) as it failed to be supported and verified by traceable and verifiable records. When PHMSA requested further information, Citgo discussed how the maximum operating pressure of the 8-inch Beeline pipeline is 208 psi, but presented no further documentation to confirm this value or that all the factors in § 195.406(a) had been accounted for in its determination.

Therefore, Citgo failed to maintain records to support the maximum operating pressure of the 8-inch Beeline pipeline pursuant to § 195.406(a).

7. § 195.410 Line markers.

(a) Except as provided in paragraph (b) of this section, each operator shall place and maintain line markers over each buried pipeline in accordance with the following:

(1) Markers must be located at each public road crossing, at each railroad crossing, and in sufficient number along the remainder of each buried line so that its location is accurately known.

Citgo failed to maintain line markers at each public road crossing so that its location is accurately known. Specifically, Citgo failed to maintain line markers at its public road crossing in the North and South directions of Interstate 595-East and North Federal Highway, located in Fort Lauderdale, Florida. Additionally, Citgo failed to maintain line markers at each railroad crossing in the North and South directions of the Eller Drive railroad, located in Fort Lauderdale, Florida, in accordance with § 195.410(a).

During the inspection on April 19, 2023, PHMSA conducted a field inspection of the 8-inch Beeline Pipeline in Port Everglades, Florida. PHMSA made observations of missing line markers on both sides of Interstate 595-East, North Federal Highway and the Eller Drive railroad crossing in Fort Lauderdale, Florida and asked Citgo why there were missing line markers. Citgo discussed how they were unable to place line markers in these areas due to road and railroad access.

Therefore, Citgo failed to maintain line markers at each public road and railroad crossing in Fort Lauderdale, Florida, in accordance with § 195.410(a).

8. § 195.420 Valve maintenance.

(a)....

(b) Each operator shall, at intervals not exceeding 7 ½ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.¹

Citgo failed to inspect at least twice each calendar year, but at intervals not exceeding 7 ½ months, each valve to determine that it is functioning properly, in accordance with § 195.420(b). Specifically, Citgo failed to inspect each mainline valve during calendar years 2020, 2021 and 2022 in accordance with § 195.420(b).

During the inspection on April 19, 2023, PHMSA conducted a field inspection of the 8-inch Beeline Pipeline in Port Everglades, Florida. PHMSA made observations of three total mainline valves in the pipeline system that were used for the safe operation and transportation of product. One valve was located at the Port Everglades Terminal and two valves were located at the pipeline interconnect to the Fort Lauderdale Airport. Citgo stated that all three valves were non-bypass and non-isolation valves, but one of the valves at the airport interconnect was not inspected as it was redundant. When PHMSA requested further information on why an inspection did not take place for all three valves, Citgo was unable to provide a justification. During the inspection, Citgo provided the *Mainline Valve Records*, dated 2020, 2021 and 2022 (MLVs). The MLVs only had inspection records for (2) valves and not all (3) mainline valves on the Beeline Pipeline.

Therefore, Citgo failed to inspect at least twice each calendar year, but at intervals not exceeding 7 ½ months during calendar years 2020, 2021 and 2022, each mainline valve to determine that it is functioning properly, in accordance with § 195.420(b).

9. § 195.428 Overpressure safety devices and overfill protection systems.

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7 1/2 months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

Citgo failed to adequately document its overpressure relief valve inspections to determine that they are functioning properly, are in good mechanical condition, and are adequate from the standpoint of capacity and reliability of operation for the service in which it is used, in accordance with §

¹ At the time of the 2nd instance of violation in 2022, § 195.402(b) had been revised to read:

(b) Each operator must, at least twice each calendar year, but at intervals not exceeding 7 1/2 months, inspect each valve to determine that it is functioning properly. Each rupture-mitigation valve (RMV), as defined in § 195.2, or alternative equivalent technology that is installed under § 195.258(c) or § 195.418, must also be partially operated. Operators are not required to close the valve fully during the drill; a minimum 25 percent valve closure is sufficient to demonstrate compliance, unless the operator has operational information that requires an additional closure percentage for maintaining reliability.

195.428. Specifically, Citgo failed to adequately document its overpressure relief valve inspections during calendar years 2021 through 2023.

During the inspection, PHMSA requested overpressure safety device records for calendar years 2021 through 2023. Citgo provided, *Checklist for Safety Device Inspection*, dated 4/3/23, 5/20/22 and 10/21/21 (OPP Records). The OPP Records failed to indicate how the devices were tested, whether they were adequate from the standpoint of capacity and reliability and what the as-found, as-left and set-pressures were for each device. When PHMSA asked where this data was found on the OPP Records, Citgo stated they are unaware of what conditions are met to rate an overpressure safety device as satisfactory or unsatisfactory. Additionally, Citgo provided the *Pressure Relief Valve Sizing & Selection Report*, dated 09/29/21 (PRV Sizing Report). The PRV Sizing Report, however, was a valve sizing and selection report for one valve and did not demonstrate adequate capacity for all overpressure safety devices from 2021 through 2023.

Therefore, Citgo failed to adequately document its overpressure relief valve inspections during calendar years 2021 through 2023, to determine that they are functioning properly, are in good mechanical condition, and are adequate from the standpoint of capacity and reliability of operation for the service in which it is used, in accordance with § 195.428.

10. § 195.446 Control room management.

(a)....

(c) Provide adequate information. Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:

(1)....

(3) Test and verify an internal communication plan to provide adequate means for manual operation of the pipeline safely, at least once each calendar year, but at intervals not to exceed 15 months;

Citgo failed to test and verify its internal communication plan to provide adequate means for manual operation of the pipeline safely, at least once each calendar year, but at intervals not to exceed 15 months, in accordance with § 195.446(c)(3). Specifically, failed to test and verify its internal communication plan during calendar years 2020 and 2021, in accordance with § 195.446(c)(3).

During the inspection, PHMSA requested records for calendar years 2020 and 2021 related to the testing of the internal communication plan at the Port Everglades, Florida facility. Citgo provided the *SCADA Communication Outage Bryan Control Center record*, dated 04/03/20 and 04/11/21 (SCADA Records). The SCADA Records were loss of power communication events that occurred at the main control center in Bryan, Texas and the Sour Lake, Texas Terminal and were not associated in any way to the Port Everglades, Florida Terminal, nor did they demonstrate testing of the internal communication plan. When PHMSA requested additional information about how the SCADA Records demonstrate testing of the internal communication plan in place at Port Everglades, Citgo discussed how they use actual events in lieu of testing. The events, however,

did not occur at the Port Everglades, Florida terminal and did not demonstrate a full test² and verification for the manual operation of the pipeline.

Therefore, Citgo failed to test and verify its internal communication plan to provide adequate means for manual operation of the pipeline safely, at least once each calendar year, but at intervals not to exceed 15 months during calendar years 2020 and 2021, in accordance with § 195.446(c)(3).

11. § 195.583 What must I do to monitor atmospheric corrosion control?

(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months.
Offshore	At least once each calendar year, but with intervals not exceeding 15 months.

Citgo failed to inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 years, but with intervals not exceeding 39 months in accordance with § 195.583. Specifically, Citgo failed to inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion during its 2019 and 2022 calendar year inspections.

During the inspection, PHMSA requested records related to atmospheric corrosion inspection. Citgo provided *Citgo Paint Inspection Form*, dated 06/17/19 and *TPL AEP CPP Atmospheric Coating Inspection*, dated 05/09/22 (Atmospheric Records). The 2019 Atmospheric Record indicated that the structure inspected was the “South Area Piping” for the “DOT Bee Line.” The 2022 Atmospheric Record indicated that the structures inspected were the yard piping and pump station for the “Bee Line Piping Area.” These records included a small sample of dry film thickness readings of the existing coating and photographs of the areas inspected but lacked details such as a grading scale or the corrosion condition of individual pipe segments. When PHMSA inquired about whether the entire aboveground pipeline segments were documented on the inspection reports, including the aboveground pipe segments at Fort Lauderdale Airport, Citgo stated they were not. Citgo indicated that it only documents areas that are problematic, and if there are no issues they do not document an inspection of the pipe segment. However, these records gave no indication that inspection of aboveground pipe at the Fort Lauderdale Airport were included in these inspections.

Therefore, Citgo failed to inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion during its 2019 and 2022 calendar year inspections, in accordance with § 195.583.

² See PHMSA Control Room Management FAQs, Revised 1/16/2018, FAQ C.14

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679.

We have reviewed the circumstances and supporting documentation involved for the above probable violations and recommend that you be preliminarily assessed a civil penalty of \$196,100 as follows:

<u>Item number</u>	<u>PENALTY</u>
6	\$50,200
8	\$85,600
11	\$60,300

Proposed Compliance Order

With respect to Items 1, 6, and 7, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Citgo Petroleum Pipeline Corporation (Terminals). Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

With respect to Items 2, 3, 4, 5, 9, and 10, 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 promptly correct these items. Failure to do so may result in additional enforcement action.

Response to this Notice

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. All

material you submit in response to this enforcement action may be 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 your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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 a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 1-2024-038-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Citgo Petroleum Corporation Terminals (Citgo) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Citgo with the pipeline safety regulations:

- A. In regard to Item 1 of the Notice pertaining to failing to maintain records of the latest pressure test (or any historical pressure test) on the 8" Beeline pipeline, Citgo must conduct and document records of a full pressure test of the pipeline, in accordance with § 195.406(a). Citgo must submit documentation of this pressure test to the Director of Eastern Region within **120** days of receipt of the Final Order.
- B. In regard to Item 6 of the Notice pertaining to failing to maintain records to support its Maximum Operating Pressure (MOP) calculation, Citgo must develop and provide to PHMSA a complete record pursuant to § 195.406(a) to support the MOP calculation of its 8-inch Beeline pipeline. This record must be supported by traceable, verifiable and complete (TVC) records for all applicable aspects of § 195.406(a). For any paragraph of § 195.406(a) for which Citgo cannot provide TVC records, Citgo must develop and submit to the Director of Eastern Region a plan for how it will confirm the information used in the MOP calculation and develop the necessary supporting records within **120** days of receipt of the Final Order.
- C. In regard to Item 7 of the Notice pertaining to failing to maintain line markers at each public road crossing, Citgo must install line markers at each public road crossing so that its location is accurately known, along the North and South directions of Interstate 595-East, along North Federal Highway and at each railroad crossing in the North and South directions of Eller Drive, in Fort Lauderdale, Florida. Citgo must submit documentation demonstrating completion of these actions to the Director of Eastern Region within **120** days of receipt of the Final Order.
- D. It is requested (not mandated) that Citgo Petroleum Corporation (Terminals) maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Robert Burrough, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.