

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

December 20, 2024

Mr. Scott Hallam
President and Chief Executive Officer
Gulf South Pipeline Company, LLC
9 Greenway Plaza, Suite 2800
Houston, Texas 77046

CPF 1-2024-060-NOA

Dear Mr. Hallam:

From May 29th, 2024 to June 13th, 2024 of the inspection, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Gulf South Pipeline Company, LLC's (Gulf South) procedures for underground natural storage in Petal and Jackson, Mississippi.

As a result of the inspection, PHMSA has identified an apparent inadequacy found within Gulf South's plans or procedures. The item inspected and the inadequacy is described below:

1. **§ 192.12 Underground natural gas storage facilities.**
 - (a) ...
 - (c) ***Procedural manuals.*** Each operator of a UNGSF must prepare and follow for each facility one or more manuals of written procedures for conducting operations, maintenance, and emergency preparedness and response activities under paragraphs (a) and (b) of this section. Each operator must keep records necessary to administer such procedures and review and update these manuals at intervals not exceeding 15 months, but at least once each calendar year. Each operator must keep the appropriate parts of these manuals accessible at locations where UNGSF work is being performed. Each operator must have written procedures in place before commencing operations or beginning an activity not yet implemented.

Gulf South's written procedures for conducting operations and maintenance activities were inadequate to ensure safe operation of a pipeline facility. Specifically, Gulf South failed to provide

adequate procedures that describe the process for converting maximum and minimum pressure at the casing seat to a maximum and minimum wellhead pressure pursuant to API RP 1170, Section 9.1 (Section 9.1).

Section 9.1 states in part that “[m]aximum storage operating pressures shall be established by the operator. The operator shall then convert the maximum and minimum pressure at the casing seat to a maximum and minimum wellhead pressure if the wellhead is the monitoring point of record.”

During the inspection, PHMSA reviewed Gulf South’s procedure *1170-9-1 Operating Limits*, effective 05/01/2024, which Gulf South uses for establishing the maximum storage operating pressure and found that the procedures were inadequate. The provided procedures did not describe the specific process used by Gulf South to determine the maximum pressure of the cavern. PHMSA also reviewed the procedures for converting the maximum and minimum pressure at the casing seat to a maximum and minimum wellhead pressure. The procedures were inadequate and did not describe the process used to convert these pressures.

Therefore, Gulf South’s written procedures required by § 192.12(c) were inadequate. Gulf South must revise its procedures to address the deficiency outlined above.

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 Gulf South Pipeline Company, LLC 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 1-2024-060-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