



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

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West Trenton, NJ 08628
609.771.7800

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

VIA ELECTRONIC MAIL TO: matthew.lucey@pbfenergy.com

January 27, 2026

Mr. Matthew Lucey
Chief Executive Officer, President
Collins Pipeline Company
One Sylvan Way, 2nd Floor
Parsippany, New Jersey 07054

CPF 1-2026-006-NOPV

Dear Mr. Lucey:

From December 29 through 31, 2021, and January 4 through February 1, 2022 of the on-site investigation, 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.) investigated Collins Pipeline Company's¹ (Collins Pipeline) rupture in Chalmette, Louisiana.

On December 27, 2021, Collins Pipeline experienced a reportable accident on its 16-inch refined products pipeline near the Mississippi River Gulf Outlet levee in St. Bernard Parish, LA, a high consequence area (HCA), that released 8,325 barrels of ultra-low sulfur diesel.

As a result of the investigation, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items investigated and the probable violations are:

- 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**

¹ Collins Pipeline Company is a subsidiary of PBF Energy, Inc.

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.

Collins Pipeline failed to follow its manual of written procedures for conducting normal operations and maintenance activities in accordance with section 195.402(a). Specifically, Collins Pipeline failed to shut down the pipeline after a leak was suspected in an HCA, as required by *Collins Pipeline PCC Operating Instructions, V-2*, section 11.2.1 (11/20/2019) (CRM Procedure) and instead attempted to restart the pipeline six times.

On December 27, 2021, Collins Pipeline experienced a reportable accident on its 16-inch refined products pipeline near the Mississippi River Gulf Outlet levee in Chalmette, LA, an HCA, that released 8,325 barrels of ultra-low sulfur diesel. The Collins Pipeline Control Center (PCC) failed to immediately shut down the pipeline after receiving several leak alarms, as required by section 11.2.1. Instead, the PCC attempted to restart the pipeline six times over a five-hour period. The PCC also failed to notify the refinery to stop the booster pumps, as required by section 11.2.1.

Starting at 9:29 AM, the PCC began receiving priority level 1 and 2 alarms. Between 9:28 AM and 2:28 PM, the PCC received 25 alarms in total including: four lockout alarms, four extended real-time transient model (E-RTTM) alarms, two low discharge pressure alarms, four imbalance notifications, ten low meter pressure alarms, and one low case pressure alarm. The CRM Procedure, section 10.5 stated that the PCC must be readily able to recognize the existence of or the potential of an abnormal situation and able to take action necessary to mitigate potential danger and section 9.1.2 outlined leak detection alarms and how to respond to each. Because these specific alarms indicated a suspected leak, the PCC was required to shut down and isolate the pipeline in accordance with section 11.2.1. However, between 9:28 AM and 2:29 PM, the PCC attempted to restart the pipeline six times (9:44 AM, 10:32 AM, 11:22 AM, 12:16 PM, 1:22 PM and 2:22 PM). The PCC did not shut down the pipeline until 2:38 PM, over five hours after the first leak indications, contrary to section 11.2.1.

An independent third-party prepared a root cause analysis focused on the control room actions, *Post Failure Delayed Response Root Cause Analysis, V-1.1* (04/29/2022) (RCA). In section 6.1.2, the RCA concluded that Collins Pipeline failed to recognize various alarms as leak indications. The RCA concluded that there were low meter and low discharge pressure alarms that went unrecognized or missed. There was a failure of communication between the PCC staff regarding an E-RTTM alarm. In addition, three hourly and one daily over/short alarms were recognized but not identified as leak indicators.

Therefore, Collins Pipeline failed to follow its manual of written procedures for conducting normal operations and maintenance activities in accordance with section 195.402(a).

2. § 195.444 Leak detection.

(a)

(b) *General.* A pipeline must have an effective system for detecting leaks in accordance with §§195.134 or 195.452, as appropriate. An operator must evaluate the capability of its leak detection system to protect the public, property, and the environment and modify it as necessary to do so. At a minimum, an operator's evaluation must consider the following factors - length and size of the pipeline, type of product carried, the swiftness of leak detection, location of nearest response personnel, and leak history.

Collins Pipeline failed to have an effective system for detecting leaks and failed to evaluate the capability of its leak detection system (LDS) in accordance with section 195.444(b). Specifically, the LDS failed to detect a leak on December 27, 2021 in an unusually sensitive area, in part, due to incorrect threshold leak detection settings in two LDS modules.

During the failure investigation, Collins Pipeline commissioned an independent third-party RCA focused on its LDS. The RCA concluded that the Collins Pipeline LDS was ineffective for several reasons. The LDS used three modules, and each had pre-determined thresholds that were configured individually with sensitivity settings that vary as a function of flow characteristics of the pipeline. All three modules were expected to generate an alarm if a leak occurs. However, RCA, section 6.1.1 concluded that Collins Pipeline used incorrect threshold settings in two of the three modules on the LDS. The module settings were not sensitive enough to detect the leak, and they therefore did not alarm during the December 27, 2021 leak. Because only one module alarmed and not all three, the LDS failed to effectively detect the December 27, 2021 leak.

In addition, the RCA determined that Collins Pipeline's failure to test the LDS using a simulated rupture event and failure to regularly evaluate the LDS operating parameters and performance were factors that contributed to the ineffectiveness of the LDS.

Therefore, Collins Pipeline failed to have an effective system for detecting leaks and failed to evaluate its leak detection system in accordance with section 195.444(b).

3. § 195.452 Pipeline integrity management in high consequence areas.

(a)

(b) *What program and practices must operators use to manage pipeline integrity?* Each operator of a pipeline covered by this section must:

(1)

(5) **Implement and follow the program.**

Collins Pipeline failed to follow its written integrity management program in accordance with section 195.452(b)(5). Specifically, Collins Pipeline failed to consider tool tolerance when calculating remaining strength of corroded pipe as required by its integrity management plan, *PBF Energy Inc., Pipeline Integrity Management Plan Hazardous Liquids Pipelines Calhoun, Torrance and DPC*, sections 5 and 6.8.4 (6/30/20) (IMP).

Collins Pipeline, IMP, sections 5 and 6.8.4 required tool tolerance to be considered when evaluating assessment results of an in-line inspection.

According to the *Safety Related Condition Report* (11/11/2020) (SRC Report), in October 2020, an ultra-high resolution MFL tool run was completed on the Collins – Meraux Station to State Line pipeline. Preliminary assessment of the data received in November 2020 indicated there was a 75% (or 85% with the 10% tool tolerance) metal loss anomaly near the Mississippi River Gulf Outlet (MRGO) levee at mile post 3.79. This anomaly was later reclassified to 66% (or 76% with the 10% tool tolerance). The SRC Report indicated that the maximum allowable operating pressure (MAOP) had been reduced from 1,440 psig to 1,402 psig. Since the pressure reduction exceeded 365 days, *Integrity Assurance Notification* (11/11/2021) was submitted to PHMSA, which included indication that the MAOP had been further lowered to 1,398 psig on 11/11/2021. Although the pressure reduction was calculated using the Safe Effective Area Method (RSTRENG) and the pit depth of 66%, the tool tolerance was not used in the calculation. If tool tolerance had been accounted for in the calculation, the pressure would have been reduced to 1,225 psig, not 1,398 psig, see *Entegra ILI Report 2020* (01/13/2023). As per *Operating Pressure at Time of Failure* (01/14/2022) the operating pressure at time of the reportable accident was 1,329 psig.

Therefore, Collins Pipeline failed to follow its written integrity management program in accordance with section 195.452(b)(5).

4. § 195.452 Pipeline integrity management in high consequence areas.

(a)

(h) *What actions must an operator take to address integrity issues? —*

(1) *General requirements.* An operator must take prompt action to address all anomalous conditions in the pipeline that the operator discovers through the integrity assessment or information analysis. In addressing all conditions, an operator must evaluate all anomalous conditions and remediate those that could reduce a pipeline's integrity, as required by this part. An operator must be able to demonstrate that the remediation of the condition will ensure that the condition is unlikely to pose a threat to the long-term integrity of the pipeline. An operator must comply with all other applicable requirements in this part in remediating a condition. Each operator must, in repairing its pipeline systems, ensure that the repairs are made in a safe and timely manner and are made so as to prevent damage to persons, property, or the environment. The calculation method(s) used for anomaly evaluation must be applicable for the range of relevant threats.

(4) *Special requirements for scheduling remediation*

(i) *Immediate repair conditions.* An operator's evaluation and remediation schedule must provide for immediate repair conditions. To maintain safety, an operator must temporarily reduce the operating pressure or shut down the pipeline until the operator completes the repair of these conditions. An operator must calculate the temporary reduction in operating pressure using the formulas referenced in

paragraph (h)(4)(i)(B) of this section. If no suitable remaining strength calculation method can be identified, an operator must implement a minimum 20 percent or greater operating pressure reduction, based on actual operating pressure for two months prior to the date of inspection, until the anomaly is repaired. An operator must treat the following conditions as immediate repair conditions:

(A) Metal loss greater than 80% of nominal wall regardless of dimensions.

Collins Pipeline failed to take prompt action to address all anomalous conditions in its pipeline discovered through an integrity assessment in accordance with section 195.452(h)(1). Specifically, Collins Pipeline discovered an immediate repair condition, metal loss greater than 80%, at mile post (MP) 3.79 on its 16-inch interstate refined fuels pipeline on October 12, 2020, but failed to immediately remediate the condition as required by section 195.452(h)(4)(i)(A).

On November 12, 2020, Collins Pipeline filed an SRC Report with PHMSA indicating it discovered two immediate repair conditions on its 16-inch interstate refined fuels pipeline, at MP 3.79 (corrosion anomaly) and MP 52.17 (manufacturing anomaly) with a metal wall loss of 85% and 86%, respectively. In the SRC Report Collins Pipeline stated it would repair both anomalies and reduce the operating pressure until all repairs are completed. However, instead of immediately repairing the corrosion anomaly at MP 3.79, Collins Pipeline downgraded the condition one year later to a 76% wall loss defect, in October 2021. Two months later, on December 27, 2021, the Collins Pipeline failed at MP 3.79—the exact location of the immediate repair condition discovered in October 2020. An independent third-party RCA (Section 8.2.1) determined external corrosion was the direct cause of the December 2021 reportable accident.

Therefore, Collins Pipeline failed to take prompt action to address all anomalous conditions in its pipeline discovered through an integrity assessment in accordance with section 195.452(h)(1).

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$272,926 per violation per day the violation persists, up to a maximum of \$2,729,245 for a related series of violations. For violation occurring on or after December 28, 2023 and before December 30, 2024, the maximum penalty may not 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.

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 **\$195,700** as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$46,600
2	\$55,900
3	\$46,600
4	\$46,600

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 1-2026-006-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: *Response Options for Pipeline Operators in Enforcement Proceedings*