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
# and
# PROPOSED COMPLIANCE ORDER

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

March 17, 2026

Mr. Matthew Lucey
Chief Executive Officer and President
PBF Energy Inc.
One Sylvan Way, 2nd Floor
Parsippany, New Jersey 07054

**CPF 1-2026-008-NOPV**

Dear Mr. Lucey:

From December 4, 2023 to March 15, 2024 of the on-site inspection, 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.) inspected Collins Pipeline Company's (Collins Pipeline)[1] control room procedures and records in The Woodlands, Texas.

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. § 195.446 Control room management.**

**(a) …**

**(e)** ***Alarm management.*** **Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:**

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

**(1) Review SCADA safety-related alarm operations using a process that ensures alarms are accurate and support safe pipeline operations;**

Collins Pipeline failed to review SCADA safety-related alarm operations using a process that ensures alarms are accurate and support safe pipeline operations in accordance with section 195.446(e)(1).

PHMSA's review of the alarm management processes in Collins Pipeline's CRM Plan sections L4.1, L6.2, L7, L10, and R7 identified several deficiencies. Notably, the CRM Plan lacked a defined methodology and process for alarm documentation and rationalization (D&R). The procedures functioned more as guidance than as detailed steps for Collins Pipeline's alarm D&R process. The written process also failed to include provisions for establishing alarm set-points and alarm priorities. In addition, CRM Plan, section R7, referenced a master alarm database, but no such database existed at the time of inspection.

Additionally, Collins Pipeline's CRM Plan, section G7.2.9, defined three alarm priority levels which included the priority name, designated color, and audio sound for critical, high, and low alarm priorities. However, the CRM Plan had inconsistent alarm color designations. Section G.7.2.9 stated that a low alarm priority had a purple color designation, but CRM Plan, section O4.3.2 stated a low alarm priority had a teal color designation.

The CRM Plan also identified and defined "Alerts." CRM Plan, section L, appendix B stated that an alert is "[a]n audible and/or visible means of indicating to the Controller an equipment or process condition that requires awareness, and that action may be needed when time permits. Similarly, alerts are separated from the alarm system and are generally Controller-configurable," and section A2.3 defined alert as "[a]n announcement of an event that does not necessitate speedy action; Alerts are always of lower priority than alarms and should at no time be safety related." However, the role of alerts in the CRM Plan is unclear due to language in sections L9.7, L10 and L12 related to operator alert systems or controller alerts. The language in these sections resemble general guidance for alarm system and handling rather than a process for the use of alerts, which are supposed to be distinct from alarms.

Therefore, Collins Pipeline failed to review SCADA safety-related alarm operations using a process that ensures alarms are accurate and support safe pipeline operations in accordance with section 195.446(e)(1).

**2. § 195.446 Control room management.**

**(a) …**

**(e)** ***Alarm management.*** **Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:**

**(1) …**

**(2) Identify at least once each calendar month points affecting safety that have been taken off scan in the SCADA host, have had**

> **alarms inhibited, generated false alarms, or that have had forced or manual values for periods of time exceeding that required for associated maintenance or operating activities;**

Collins Pipeline failed to identify at least once each calendar month points affecting safety that have been taken off scan in the SCADA host, have had alarms inhibited, generated false alarms, or that have had forced or manual values for periods of time exceeding that required for associated maintenance or operating activities in accordance with section 195.446(e)(2). In addition, Collins Pipeline failed to have an adequate procedure to support this monthly review in accordance with section 194.446(a).

Collins Pipeline's *PBF Logistics Pipeline Control Center: Control Room Management Plan*, *Rev-8* (08/25/23) (CRM Plan) included multiple sections (A6.1.2, A6.5, L1, and M2.16) where it required the monthly reviews of alarms, however these sections failed to include instructions or details as to how this activity would be performed and recorded to demonstrate compliance.

Collins Pipeline contracted with a third-party control room vendor to complete the monthly alarm review. Collins Pipeline downloaded alarms from its event log and provided them to the third party for review. A review of the third-party's monthly reports for August 2021, November 2021, March 2022, April 2022 for consoles 1 and 2 showed the alarm data related to Collins Pipeline's Key Performance Indicators. The reviewed records contained no reports or other documentation indicating any safety-related points had been taken off scan in the SCADA host, had generated false alarms, or had been left in forced or manual values for periods of time exceeding that required for associated maintenance or operating activities.

Therefore, Collins Pipeline failed to identify at least once each calendar month points affecting safety that have been taken off scan in the SCADA host, have had alarms inhibited, generated false alarms, or that have had forced or manual values for periods of time exceeding that required for associated maintenance or operating activities as required by section 195.446(e)(2).

**3. § 195.446 Control room management.**

> **(a) …**
>
> **(e)** ***Alarm management.*** **Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:**
>
> **(1) …**
>
> **(3) Verify the correct safety-related alarm set-point values and alarm descriptions when associated field instruments are calibrated or changed and at least once each calendar year, but at intervals not to exceed 15 months;**

Collins Pipeline failed to verify the correct safety-related alarm set-point values and alarm descriptions when associated field instruments are calibrated or changed and at least once each calendar year, but at intervals not to exceed 15 months in accordance with section 195.446(e)(3).

Collins Pipeline's CRM Plan included multiple sections (A6.1.4, A6.6, L1, and M2.15) where it required review of the safety-related alarms, set-point values, and alarm descriptions. However, these sections failed to include instructions or details as to how this activity would be performed and recorded to demonstrate compliance.

PHMSA reviewed records for the annual verification of safety-related alarm set point values and alarm descriptions, but these records did not indicate who completed the review, when the review was completed, and whether any deficiencies were identified and corrected. In addition, Collins Pipeline failed to provide records demonstrating it had verified the same information when field instruments were calibrated or changed.

Therefore, Collins Pipeline failed to verify the correct safety-related alarm set-point values and alarm descriptions when associated field instruments are calibrated or changed and at least once each calendar year, but at intervals not to exceed 15 months in accordance with section 195.446(e)(3).

<u>Proposed Civil Penalty</u>

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 documents involved in this case and have decided not to propose a civil penalty assessment at this time.

<u>Proposed Compliance Order</u>

With respect to Items 1, 2, and 3, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Collins Pipeline. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

<u>Response to this Notice</u>

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 1-2026-008-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

cc: Thomas McLane, Director Logistics Regulatory Compliance, thomas.mclane@pbfenergy.com
Jeff Hersperger, Sr. Operations Director, jeffrey.hersperger@pbfenergy.com

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 Collins Pipeline Company (Collins Pipeline) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Collins Pipeline with the pipeline safety regulations:

A. In regard to Item 1 of the Notice pertaining to Collins Pipeline's failure to review SCADA safety-related alarm operations using a process that ensures alarms are accurate and support safe pipeline operations, Collins Pipeline must:

   1. Revise its CRM Plan to include an adequate process that ensures alarms are accurate and support safe pipeline operations. Collins Pipeline must provide the revised procedures and forms to the Director for review and approval within **90** days of receipt of the Final Order.
   2. Collins Pipeline must provide documentation of its safety related alarm values and set point descriptions under the revised procedures to the Director for review within **150** days of receipt of the Final Order.

B. In regard to Item 2 of the Notice pertaining to Collins Pipeline's failure to verify the correct safety-related alarm set-point values and alarm descriptions when associated field instruments are calibrated or changed and at least once each calendar year, but at intervals not to exceed 15 months Collins Pipeline must:

   1. Revise its CRM Plan to include an adequate process to conduct the set point review. Collins Pipeline must provide the revised procedures and forms to the Director for review and approval within **90** days of receipt of the Final Order.
   2. Collins Pipeline must provide documentation of its alarm rationalization including alarm priorities and set points to the Director for review within **150** days of receipt of the Final Order.

C. In regard to Item 3 of the Notice pertaining Collins Pipeline's failure to identify at least once each calendar month points affecting safety that have been taken off scan in the SCADA host, have had alarms inhibited, generated false alarms, or that have had forced or manual values for periods of time exceeding that required for associated maintenance or operating activities, Collins Pipeline must:

   1. Revise its CRM Plan to include an adequate process to conduct the monthly alarm review. Collins Pipeline must provide the revised procedures and forms to the Director for review and approval within **90** days of receipt of the Final Order.
   2. Collins Pipeline must provide two months of records of its reviews utilizing the revised procedures and forms to the Director for review within **150** days of receipt of the Final Order.

D. It is requested (not mandated) that Collins Pipeline 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.