



U.S. Department
of Transportation

**Pipeline and Hazardous Materials
Safety Administration**

901 Locust Street, Suite 462
Kansas City, Missouri 64106-2641

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 3, 2018

Mr. Pat Ward
VP of Operations
Countrymark Refining and Logistics, LLC
1200 Refinery Rd
Mt. Vernon, Indiana 47620

CPF 3-2018-5008

Dear Ward:

On March 14-18, 2016, 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 your rural regulated gathering system in Illinois field locations with office in Mount Vernon, Indiana.

As a result of the inspection, it is alleged that CountryMark Refining and Logistics, LLC (CountryMark) has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. §195.440 Public awareness

(d) The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:

(2) Possible hazards associated with unintended releases from a hazardous liquid or carbon dioxide pipeline facility;

API RP 1162 4.3.1 Potential Hazards of Products Transported¹

Information about specific release characteristics and potential hazards posed by hazardous liquids or gases should be included.

CountryMark's public awareness program failed to include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on the possible hazards associated with unintended releases from a hazardous liquid or carbon dioxide pipeline facility. Specifically, based on the inspector's review of the latest brochure in effect in March 2016, CountryMark's brochure for excavators/affected public was deficient in explaining information about the potential hazards, such as fire, explosion, etc.. The operator revised its brochure and corrected this issue on June 6, 2016, so no further action is required.

2. §195.440 Public awareness

(g) The program must be conducted in English and in other languages commonly understood by a significant number and concentration of the non-English speaking population in the operator's area.

API RP 1162 2.3.1 Public Education

These regulations require pipeline operators to establish continuing education programs to enable the public, appropriate government organizations, and persons engaged in excavation-related activities to recognize a pipeline emergency and to report it to the operator and/or the fire, police, or other appropriate public officials. The programs are to be provided in both English and in other languages commonly used by a

¹ 49 C.F.R. §195.440 requires each pipeline operator to develop and implement a written continuing public education program that follows the guidance provided in American Petroleum Institute's (API) Recommended Practice (RP) 1162.

significant concentration of non-English speaking population along the pipeline.

CountryMark's public awareness program was not conducted in other languages commonly understood by a significant number and concentration of the non-English speaking population in the operator's area. CountryMark presented no written record to demonstrate that there is not a significant number of non-English speaking population along the pipeline to support their English-only public education brochures and materials. CountryMark failed to evaluate if a significant number and concentration of non-English speaking population were in its area.

CountryMark corrected this issue by conducting a language survey and updating its public awareness plan to include frequencies for new language surveys and a threshold percentage for a significant non-English speaking population by December 29, 2016.

3. §195.571 What criteria must I use to determine the adequacy of cathodic protection?

Cathodic protection required by this subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained paragraphs 6.2.2, 6.2.3, 6.2.4, 6.2.5 and 6.3 in NACE SP 0169 (incorporated by reference, *see* § 195.3).

NACE SP0169-2007 Standard Practice, "Control of External Corrosion on Underground or Submerged Metallic Piping Systems"

6.2.2.1.1 A negative (cathodic) potential of at least 850 mV with the CP applied. This potential is measured with the respect to a saturated copper/copper sulfate reference electrode contacting the electrolyte. Voltage drops other than those across the structure-to-electrolyte boundary must be considered for valid interpretation of this voltage measurement.

CountryMark failed to comply with one or more of the applicable criteria and other considerations for cathodic protection (CP) contained paragraph 6.2.2 of NACE SP 0169. Specifically, CountryMark did not consider the voltage (IR) drop in its cathodic protection criteria to determine if levels were adequate, as required by NACE SP 0169. Three years of CP readings from 2013 to 2016 were provided to PHMSA with no data presented on how IR drop was considered. After the inspection, CountryMark initiated a mitigation plan to obtain instant off data to account for IR drop and to install test stations where instant off data could not be collected due to galvanic anodes. This mitigation plan was complete by December 2016, with IR drop accounted for in the 2016 annual survey.

4. **§195.573 What must I do to monitor external corrosion control?**

(c) *Rectifiers and other devices.* You must electrically check for proper performance each device in the first column at the frequency stated in the second column.

Device	Check frequency
Rectifier Reverse current switch. Diode. Interference bond whose failure would jeopardize structural protection.	At least six times each calendar year, but with intervals not exceeding 2 ½ months
Other interference bond	At least once each calendar year, but with intervals not exceeding 15 months.

CountryMark did not monitor its external corrosion control provided by rectifiers at least six times per calendar year, but with intervals not to exceed 2 ½ months. Eleven (11) late rectifier checks were noted in the CP data from 2013 to 2016. The operator corrected this by obtaining maintenance scheduling software to schedule future rectifier checks. This was in place by April 19, 2016.

5. **§195.589 What corrosion control information do I have to maintain?**

(a) You must maintain current records or maps to show the location of—

(2) Cathodic protection facilities, including galvanic anodes, installed after January 28, 2002

CountryMark failed to maintain current records or maps to show the location of cathodic protection facilities, including galvanic anodes, installed after January 28, 2002. Specifically, CountryMark did not have anode bed locations on system drawings or other records. The operator corrected this by adding latitudes and longitudes for anode beds to their drawings by May 26, 2016.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists up to a maximum of \$2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violations and has recommended that you be preliminarily assessed a civil penalty of \$39,900 as follows:

<u>Item number</u>	<u>PENALTY</u>
3	\$19,100
4	\$20,800

Warning Items

With respect to items 1, 2, and 5, 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 Compliance 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 the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 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 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. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 3-2018-5008** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Allan C. Beshore". The signature is fluid and cursive, with the first name "Allan" being more prominent.

Allan C. Beshore
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Response Options for Pipeline Operators in Compliance Proceedings*