Targa Resources Operating, LLC
811 Louisiana, Suite 2100
Houston, TX 77002

October 25, 2019

**Via FedEx & Electronic Mail**

Allan C. Beshore
Director, Central Region
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
901 Locust Street, Suite 462
Kansas City, Missouri 64106
Allan.Beshore@dot.gov

Re: **Notice of Probable Violation, Proposed Civil Penalty & Proposed Compliance Order CPF 3-2019-6003, Warning Letter CPF 3-2019-6004W and Notice of Amendment CPF 3-2019-6005M**

Dear Mr. Beshore:

Targa Resources Operating, LLC ("**Targa**") is in receipt of the above-referenced Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order ("**NOPV**"), Warning Letter, and Notice of Amendment ("**NOA**"), each issued by the Pipeline and Hazardous Materials Safety Administration ("**PHMSA**") on September 26, 2019 in relation to crude facilities owned and operated by Targa.

Below is Targa's response to the NOPV, Warning Letter, and NOA.

**NOPV/Compliance Order CPF 3-2019-6003:**

**Item #1:**

*§194.107 General response plan requirements.*
*(a) ...*
*(c) Each response plan must include:*
*(1) A core plan consisting of-*
*(i) ...*
*(ix) Drill program-an operator will satisfy the requirements for a drill program by following the National Preparedness for Response Exercise Program (PREP) guidelines. An Operator choosing not to follow PREP guidelines must have a drill program that is equivalent to PREP. The operator must describe the drill program in the response plan and OPS will determine if the program is equivalent to PREP.*
*Prep Guidelines, Section 5.1, Drill: Qualified Individual (QI) Notification*
*Frequency: AS indicated by the response plan and, at a minimum, consistent with the triennial cycle (quarterly).*

*Targa Resources Operating, LLC (Targa) failed to satisfy the requirements for a drill program which follow PREP Guidelines, Section 5.1 Drill: QI Notification. (Targa provided no evidence that it followed a drill program that is equivalent to that set forth in PREP). Specifically, Targa did not conduct QI notification drills each quarter during the three year period from 2015 through 2017. A total of twelve(12) quarterly notification drills were not conducted.*

**Targa Response:**

QI Notifications drills are now documented in our electronic work order management system, Maximo. A Pipeline supervisor logs into Maximo and takes appropriate action to complete quarterly QI notifications as required. The quarterly QI notifications have been conducted routinely since the beginning of 2018. Targa believes this item has been resolved to ensure continuous compliance. Targa is not contesting the penalty of $22,800 and will make payment per the instructions provided.

**Item #2:**

*§ 195.264 Impound, protection against entry, normal/emergency venting or pressure/vacuum relief for aboveground breakout tanks.*

- *(a) A means must be provided for containing hazardous liquids in the event of spillage or failure of an aboveground breakout tank.*
- *(b) After October 2, 2000, compliance with paragraph (a) of this section required the following for aboveground breakout tanks specified:*
  - *(1) For tanks built to API Spec 12F, API Std 620 and others (such as API Std 650 (or its predecessor Standard 12C)), the installation of impoundment must be in accordance with the following section of NFPA-30(2008 edition)(incorporated by reference per § 195.3);*
    - *(i) Impoundment around a breakout tank must be installed in accordance with section 22.11.2*

*Targa failed to satisfy the requirements of section 22.11.2 of NFPA-30(2008 edition) regarding impoundment and ground slope around the breakout tanks.*

*PHMSA's field inspection of Tanks 200 & 210 at Targa Resources Johnson's Corner facility and Tank 3000 at the New Town facility found that control of drainage was not accessible under fire conditions from outside the containment area as required per section 22.11.7.1 of NFPA-30(2008 edition). Section 22.11.2.1 states "control of drainage shall be accessible under fire conditions form outside the dike."*

*Additionally, filed inspection of Tank 210 at Targa Resources Johnson's Corner facility identified an area that did not have a slope of not less than 1% away from the tank as required per section 22.11.2.1 of NFPA-30(2008 edition). Section 22.11.2.1 states "a slope of not less than 1 percent away from the tanks shall be provided for at least 50 feet or to the dike base, whichever is less".*

**Targa's Response:**

Targa requests Item #2 be removed from NOPV/Compliance Order CPF 3-2-19-6003. Item #2 references *§ 195.264 Impoundment, protection against entry, normal/emergency venting or pressure/vacuum relief for above ground breakout tanks.*

In reference to the access to control drainage from the outside the containment requirement, NFPA 30 does not specify the means to access the valve controlling the drainage. At the Johnson's Corner facility, the

drain valve is accessed via a platform built above the containment dike and accessed outside the dike. The valve handle has an extension that is used from the platform to operate the valve. Personnel accessing the means to close the valve are outside the containment dike. Targa maintains that access to the valve controlling the drainage meets the intent of the requirement in NFPA 30.

Targa believes the integrity of the valve and associated piping as currently configured adequately protects against damage caused by freezing.

1) The current installation configuration avoids the very realistic scenario of filling the containment drainpipe up with water, freezing, and damaging the integrity of the drainpipe/drain valve due to ice formation. The integrity of the containment drainpipe and valve is paramount to avoid releasing hydrocarbons outside the dike in the event of a loss of containment.

2) While the valves are located inside the dike, personnel do ***not*** have to climb inside the dike (beneath the top of containment wall) to access the valve. A platform is provided for personnel to access the valve actuator without walking into the dike (beneath the top of containment wall). The bottom of the platform is essentially flush with the top of the containment wall.

3) By procedure, these valves are kept closed at all times ***except*** when Targa is manually draining the dike of accumulated rain/snow melt.

The NOPV also cites the requirement of NFPA 30 for the containment to have a slope of not less than 1 % away from the tank. This paragraph is in Subpart D Construction which requires that the impoundment be installed in accordance with NFPA 30 section 22.11.2. The *§ 195.264* requirement is in Subpart D Construction. The paragraph does not address maintenance requirements of the impoundment nor are the requirements included in Subpart F Operations and Maintenance of Part 195. This is similar to requirements of *§ 195.248* for burial of a pipeline in that a pipeline must have a minimal amount of cover when constructed, but there are no regulatory requirements to maintain that depth.

Although Targa understands the advantages for slope away from the tank and will undertake to restore the slope to at least 1% away from the tank, Targa maintains that this item should not be included in a compliance order since it is not a regulatory requirement

**Warning Letter CPF 3-2019-6004W**

**Item # 1:**

*§ 195.404 Maps and records.*
*(a) ...*
*(b) Each operator shall maintain for at least 3 years daily operating records that indicate-*
*(1) The discharge pressure at each pump station; ...*

*Targa failed to maintain, for at least 3 years, daily operating records which indicate the discharge pressure at each pump station. Specifically, Targa failed to provide daily operating records that showed pressure values for the Bridger Segment. Targa explained that this data was lost during an upgrade of the control system.*

**Targa's Response:**

Targa understands the importance of maintaining records and will strive to preserve data during future system upgrades.

**Item # 2:**

*§ 195.420 Valve maintenance.*
*(a) ...*
*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.*

*Targa failed to inspect each mainline valve to determine that it is functioning properly at intervals not exceeding 7 ½ months, but at least twice each calendar year. A review of Targa's records indicate the inspections performed on the following two valves were not completed at the required intervals:*

1. *On DAPL Connect Line, records for a mainline valve showed it was inspected on July 24, 2017 and then again on May 17, 2018. This 10 month interval exceeded the 7 ½ months limit permitted under § 195.420(b).*
2. *On the Huron 6" mainline valve, records were not provided to demonstrate that it had been inspected prior to November 11, 2017, despite being put into service in September of 2015. Therefore, inspections of this mainline valve were not performed for at least 3 inspection interval periods as required under § 195.420(b).*

**Targa's Response:**

The DAPL mainline valve was initially inspected when the line was commissioned July 24, 2017. Targa is now conducting regularly scheduled inspections of mainline valves in accordance to §195.420. Targa currently tracks the inspections in a calendar and is in the process of adding the inspections to our electronic work order system, Maximo.

The Huron pipeline segment is a is a Regulated Rural Gathering pipeline subject to operation and maintenance requirements of § 195.11. The requirements included in § 195.11 do not reference *§ 195.420 Valve maintenance.* Targa requests that Item 2.2 be removed from the Warning letter.

**Notice of Amendment CPF 3-2019-6005M**

**Item # 1:**

*§ 195.452 Pipeline integrity management in high consequence areas.*
*(a) ...*
*(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high*

*consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:*
*(1) A process for identifying which pipeline segments could affect a high consequence area; ...*

*Targa's Integrity Management Program (IMP) was inadequate because it did not provide a process for when the identification of which segment that could affect a HCA procedures allowed a pipeline segment to begin operations before the identification of a pipeline segment that could affect a HCA was completed.*

*After inspection, Targa amended its IMP procedures under Section 1.2-Delineation of HCA Boundaries to state, "Pipelines constructed or converted after May 29th, 2001 shall be included in the program on the date the pipeline begins operation." An amendment was sent to PHMSA via email on August 8, 2018. PHMSA reviewed the amended procedures and found that they satisfactorily meet the requirement of §195.452(f)(1). Therefore, no further action is required to correct the identified procedural deficiency in Targa's IMP.*

**Targa's Response:**

As noted above, PHMSA accepted the revisions to the plan submitted on August 8, 2018, and no further action is required.

**Item # 2:**

*§ 195.565 How do I install cathodic protection on breakout tanks?*
*After October 2, 2000, when you install cathodic protection under §195.563(a) to protect the bottom of an aboveground breakout tank of more than 500 barrels 79.49m3 capacity built to API Spec 12F (incorporated by reference, see §195.3), API Std 620 (incorporated by reference, see §195.3), API Std 650 (incorporated by reference, see §195.3), or API Std 650's predecessor, Standard 12C, you must install the system in accordance with ANSI/API RP 651 (incorporated by reference, see §195.3). However, you don't need to comply with ANSI/API RP 651 when installing any tank for which you note in the corrosion control procedures established under §195.402(c)(3) why complying with all or certain provisions of ANSI/API RP 651 is not necessary for the safety of the tank.*

*Targa's Operations and Maintenance (O&M) manual was inadequate because it did not have a procedure requiring cathodic protection on breakout tanks that are installed in accordance with ANSI/API RP 651. After the inspection, Targa amended its Liquid Pipeline Corrosion Control procedure to address this deficiency. In an email to OPS dated August 18, 2018, Targa provided its revised "Liquid Pipeline Corrosion Control Procedures-Referrence:195.565", which requires cathodic protection on breakout tanks to be installed in accordance with ANSI/API RP 651. This amendment to Targa's procedure satisfactorily meets the requirements of § 195.565. therefore, no further action is required.*

**Targa's Response:**

As noted above, PHMSA accepted the revisions to the plan on August 18, 2018, and no further action is required.

**Item # 3:**

*§195.573What must I do to monitor external corrosion control? Breakout tanks*
*(d) Breakout tanks. You must inspect each cathodic protection system used to control corrosion on the bottom of an aboveground breakout tank to ensure that operation and maintenance of the system are in accordance with API RP 651 (incorporated by reference, see §195.3). However, this inspection is not required if you note in the corrosion control procedures established under §195.402(c)(3) why complying with all or certain operation and maintenance provisions of API RP 651 is not necessary for the safety of the tank.*

*Targa's O&M manual was inadequate because it did not have a procedure requiring details for when and how cathodic protection systems would be inspected on breakout tanks. After the inspection, Targa amended its "Liquid Pipeline Corrosion Control Procedures-Reference: §195.573" to address this deficiency. In an email to OPS on August 8, 2018, Targa submitted its revised procedures detailing when and how cathodic protection systems are to be inspected on breakout tanks. This amendment to Targa's procedure satisfactorily meets the requirement §195.573(d). Therefore, no further action is required.*

**Targa's Response:**

As noted above, PHMSA accepted the revisions to the plan submitted on August 8, 2018, and no further action is required.

**Item # 4**

*§195.579 What must I do to mitigate internal corrosion?*
*(d) Breakout tanks. After October 2, 2000, when you install a tank bottom lining in an aboveground breakout tank built to API Spec 12F (incorporated by reference, see §195.3), API Std 620 (incorporated by reference, see §195.3), API Std 650 (incorporated by reference, see §195.3), or API Std 650's predecessor, Standard 12C, you must install the lining in accordance with API RP 652 (incorporated by reference, see §195.3). However, you don't need to comply with API RP 652 when installing any tank for which you note in the corrosion control procedures established under §195.402(c)(3) why compliance with all or certain provisions of API RP 652 is not necessary for the safety of the tank.*

*Targa's O&M manual was inadequate because it did not have a procedure that required when installing a tank bottom lining in aboveground breakout tank built to API Std. 650 to be installed in accordance with API RP 652. After the inspection, Targa amended its "Liquid Pipeline Corrosion Control Procedures-Reference §195.579" to address this deficiency and submitted this revised procedure to OPS via email on August 8, 2018. OPS reviewed the revised procedure and found it satisfactorily meets the requirement of §195.579(d). Therefore no further action is required.*

**Targa's Response:**

As noted above, PHMSA accepted the revisions to the plan submitted on August 8, 2018, and no further action is required.

Targa appreciates the opportunity to work with PHMSA concerning this matter. If you have any questions, please contact me at 713-584-1632.

Regards,

Gregg Johnson
Director of Pipeline Compliance
Targa Resources Corp

cc: Dwayne Burks, VP Operations
Jessica Keiser, Sr. VP ES&H
Julie Pabon, Senior Counsel, Targa Resources