

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: rob.peabody@huskyenergy.com and kollin.schade@huskyenergy.com

October 30, 2020

Mr. Robert J. Peabody
President and Chief Executive Officer
Husky Energy
Superior Refining
2407 Stinson Avenue
Superior, WI 54880

CPF 3-2020-6002M

Dear Mr. Peabody:

From April 2 through 4, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Husky Energy - Superior Refinery's (Superior) procedures and records for its 6" / 10" Light Oil pipeline that runs from Husky Superior Refinery to Magellan Pipeline and the Superior West above ground storage facility in Superior, Wisconsin.

As a result of the inspection, PHMSA has identified the apparent inadequacies found within Superior's plans or procedures, as described below:

1. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a)...
 - (c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations...
 - (3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part

Superior's procedure (PR-000000606) for tracking Emergency Relief Valve (ERV) tests was inadequate because it did not include the industry standards to which Superior tests its ERVs. During the inspection, Superior stated that it tests the ERVs per industry standards. However, there was no indication of what those standards were in its procedure.

Additionally, Superior's Pressure Relief Valve Report Sheet form, which is required to be completed when ERVs tests are performed in accordance with its procedure, did not clearly indicate condition of the ERVs including the as-found/as-left settings, upon inspection.

Following the inspection, Superior updated its Operations and Maintenance manual section F.12.3 for testing ERVs. The recording of as-found/as-left pressures and a review of those pressures for 'drift' are reinforced in the revised section. Superior also developed new procedures for testing and calibrating pressure transducers and pressure switches which included the recording and review of as-found/as-left conditions. These amendments have been reviewed by PHMSA staff and satisfactorily meet the procedural requirements.

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 Compliance 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 have review your amended procedures and found them to satisfactorily address the identified inadequacies. Therefore, no further action would be necessary on your part and after 30 days this enforcement action will be closed.

It is requested (not mandated) that Superior Refining 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 Greg Ochs, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2020-6002M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Gregory A. Ochs
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration

cc: Mr. Kollin Schade, Plant Manager, Husky Energy – Superior Refinery Company LLC,
2407 Stinson Avenue, Superior, WI. 54880 kollin.schade@huskyenergy.com