

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY**

VIA ELECTRONIC MAIL TO: matthew.ramsey@energytransfer.com ,
gregory.mcilwain@energytransfer.com and todd.nardozzi@energytransfer.com .

March 9, 2021

Mr. Matt Ramsey
Chief Operating Officer
Energy Transfer Partners, LLC
8111 Westchester
Dallas, TX 75225

CPF 3-2021-009-NOPV

Dear Mr. Ramsey:

From September 29 through November 16, 2020, 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 the field assets and records of your subsidiaries, Rose Rock Midstream, L.P. (Rose Rock), and White Cliffs Pipeline, LLC, both virtually and onsite, in Colorado and Kansas.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

1. § 195.310 Records.

(a) A record must be made of each pressure test required by this subpart, and the record of the latest test must be retained as long as the facility tested is in use.

Rose Rock failed to provide pressure test records as required by § 195.310. Specifically, Rose Rock failed to provide hydrostatic test records for Tank 1004 at the Platteville tank farm in the Wattenberg system during the records inspection.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to 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. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

We have reviewed the circumstances and supporting documentation involved for the above probable violation(s) and recommend that you be preliminarily assessed a civil penalty of \$32,800 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$32,800

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 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 3-2021-009-NOPV** 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

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

CC: Mr. Gregory Mcilwain, Operations VP, Energy Transfer Partners, LLC,
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Mr. Todd Nardozi, Director Regulatory Compliance, Energy Transfer Partners, LLC,
todd.nardozi@energytransfer.com