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October 29th, 2021

Mr. Gregory Ochs
Director, Central Region
Office of Pipeline Safety
901 Locust Street, Suite 480
Kansas City, MO 64106

RE: CFR 3-2021-076-NOA - NOTICE OF AMENDMENT

Dear Mr. Ochs,

Jayhawk Pipeline, LLC (Jayhawk) is submitting the following response to CFR 3-2021-076 NOA issued by the Pipeline Hazardous Materials Safety Administration (PHMSA) on October 1, 2021: Copies of finalized procedures will be provided within the 90 day period specified in the Notice of Amendment.

Item #1 - § 195.402 Procedural manual for operations, maintenance, and emergencies.

Jayhawk's procedure did not address the inspection of pipelines after an extreme weather event or natural disaster, as required by § 195.414(a). Jayhawk personnel pointed to Section 207.6 in the ROW section of the O&M, and Section 400 of the emergency manual, as the procedures to address this requirement. The emergency manual did not cover the requirement for inspection of pipeline after an extreme weather event or natural disaster, rather, it was focused on employee safety during a natural disaster. Section 207.6 of Jayhawk's O&M contained procedures on patrolling after a flooding incident, but the procedure did not address any other natural disaster (e.g. landslide, earthquakes, etc.). Additionally, the procedure did not address the inspection methods and the need for additional assessments, the time period for those assessments, and the remediation options.

Jawhawk must amend its procedures to comply with the requiremnets of § 195.414.

RESPONSE: Jayhawk is revising its O&M manual section 207.6 Severe Flooding to address all natural disasters. This section will be revised as follows:

207.6 Natural Disaster

The following are guidelines to consider when a natural disaster (flood, earthquake, landslide, tornado, etc.) occurs that has the potential to affect the integrity of pipeline facilities. Each event will involve different factors based on severity, geographical proximity to pipeline facilities, location, size and operating parameters of the pipeline

segments affected, and proximity to populated areas. The most common type of natural disaster encountered on the systems covered by this manual is extreme flooding.

Precautions: During facility and right-of-way inspections, look for areas that may be prone to damage from a natural disaster. This includes looking for unstable soil that may result in a landslide, areas of increased subsidence, and any areas where flooding could jeopardize pipeline infrastructure such as block valves or casing vents. In the event that the inspection reveals that there is a significant likelihood of damage, the employee must report this to his/her supervisor who will report the situation to the IMP Staff for further evaluation and conclusion.

Event Actions:

- The Area Supervisor may coordinate with other pipeline operators (when applicable) who may have pipelines in the same corridor or immediate area by pre-planning emergency response actions in the event of a pipeline failure.

- The Area Supervisor may notify the affected PSAP as indicated in Section 402.4.

- When applicable, the Area Supervisor will evaluate the proximity of personnel to the event to verify that they will be in position to take immediate action if needed. Based on the operating parameters of the pipeline segment affected, and normal location of the area personnel, relocating personnel closer to the affected line segment may be necessary.

- The area operations personnel will evaluate aboveground facilities, which may have been damaged. If in danger, mark the facility in a manner that is identified by company personnel and public.

- When the event occurs over a longer time period such as in the case of severe flooding, the Area Supervisor may increase right-of-way inspections (ground and/or aerial) to evaluate conditions.

- The area operations personnel may provide frequent updates to the Controller.

- The Controller may frequently monitor the line section affected by the event for possible abnormal operating conditions.

Post Event Activities:

- Inspections - As per part 195.414(c), inspections to verify the condition and integrity of pipeline facilities following a natural disaster shall begin with 72 hours of the area affected by the natural disaster being accessible by the personnel and equipment required to perform the inspections. In situations where this is not feasible due to a lack of availability of either personnel or equipment, the PHMSA Regional Director must be notified.

    - In the case of severe flooding, the area operations personnel may perform a waterway inspection as described in Section 207.5 and complete the 'Water Way Inspection E-Form.'

    - After any natural disaster, evaluate areas where depth of cover may have been reduced. Additionally, evaluate aboveground pipeline facilities including operational equipment (piping, pumps, valves, etc.) and ancillary facilities (fencing, pipeline markers, signage, etc.). Complete applicable documentation which may include; 'Road Patrol E-Form', 'Facility Inspection E-Form', 'Air Patrol Response E-Form', etc.

- Remedial Actions – during the inspection process or after the inspections are concluded, certain remedial actions may be required to ensure that the pipeline facilities can be operated safely. If at any time, SCADA monitoring or field inspections of the pipeline facilities suggest that integrity concerns which prohibit the pipeline from being operated safely exist, then immediate actions to reduce or mitigate the risk should be taken. Some examples of remedial actions that may be necessary during or after a natural disaster include the following:

    - Reducing operating pressure or shutting down pipeline,
    - Implementing emergency response plan,
    - Notifying affected public of situation,
    - Creating work orders to repair damaged facilities or address concerns on the right of way (depending on nature of repair, One-Call notifications may be required),
    - Increasing frequency of aerial and/or road patrols,
    - Performing engineering evaluations,
    - Repair/Replacement of line markers and signage.

Item #2 - §195.402 Procedural manual for operations, maintenance, and emergencies.

Jayhawk's procedures did not address how they will perform assessments of pipelines that are not currently subject to the requirements of § 195.452, as required by § 195.416.

At the time of PHMSA's inspection, the integrity management program also addressed repairs to pipelines that are not subject to § 195.452. However, there was nothing in the procedures that specifically addressed how the proper assessment method for such segments will be determined; how Jayhawk will handle other technology; the data analysis; and when discovery of conditions occurs for those sections of line pipe not subject to the requirements of § 195.452.
Jawhawk must amend its procedures to comply with the requirements of § 195.416.

RESPONSE: Changes are being incorporated into section #3 of the CHS P&T Integrated Integrity Management Plan. The intent of these changes is to make explicit the fact that CHS will assess all pipelines regardless of HCA/CA status. Specific changes include:

- Section 3.1 will be revised to clarify that segments outside HCA/CA are subject to the Integrity program.
- Section 3.1 will be revised to clarify that changes in "could affect" status will no longer be a condition for removal of segments from the Integrity program.
- Section 3.7 will be revised to include segments outside HCA/CA in the method determination policy.

Item #3 - §195.402 Procedural manual for operations, maintenance, and emergencies.

Jayhawk's procedures for Public Awareness did not sufficiently address the annual audit of the program's implementation, as required by § 195.440.

At the time of PHMSA's inspection, the procedure stated in Section 9 that the "Public Awareness Audit Committee shall review documents such as Appendix B and F annually not to exceed 15 months. This review shall be for program implementation within the organization and furthering access if supplemental or enhanced efforts are necessary." The procedures did not contain guidance on how to document the following in accordance to section 8.3 and Appendix E of API RP 1162, incorporated by reference:

- *What awareness activities were planned for the year and what was accomplished during the year;*
- *What internal and external information was collected and reviewed by the operator;*
- *What decisions were made by the operator based on the information including the addition of supplemental messaging and;*
- *What is planned for the next year?*

The procedure must be amended to comply with the requirements of § 195.440, and should also indicate how Jayhawk personnel will document compliance with these requirements.

RESPONSE: Jayhawk is revising its Public Awareness Plan (PAP) to include the detailed actions that have been taken to review the program implementation within the organization and further assess if supplemental implementation efforts are necessary. This is written in Section 9 page 25 as follows:

> 'Public Awareness Committee shall meet quarterly to consider the annual plan including the budget as well as review documents associated with the PAP implementation. PA administrator will conduct a formal review annually not to exceed 15 months. This review shall be for completion of the Program Implementation (Plan/Do/Act/Check) Form (Appendix I) and determine if supplemental or enhanced efforts are necessary by having members of the PA Committee provide input using the Checklist Form (Appendix H). To view more detail and specific timelines for public officials, emergency responders, and excavators please reference the program outline found here: https://pipelineawareness.org/member-resources/program-information.'

Additionally, Appendix J, which summarizes our 6-year Baseline Activity has been added to the PAP. Although these individual steps were previously taken outside of the PAP written documentation, the plan will now include these detailed steps within the PAP. The revised PAP includes guidance on documentation according to section 8.3 and Appendix E of API RP 1162, as incorporated by reference.

Item #4 - §195.402 Procedural manual for operations, maintenance, and emergencies.

Jayhawk's procedures did not provide guidance on how they would monitor cathodic protection of their breakout tank bottoms, as required by § 195.573. For instance, in the field, Jayhawk personnel take readings at four quandrants of the tank and at the center of the tank if equipped with a permanent half cell. None of these actions were identified in the procedures Section 703.

Jayhawk must amend its procedures to indentify how it would monitor cathodic protection of its breakout tank bottoms in accordance with API RP 651 and § 195.573.

RESPONSE: Jayhawk is revising it O&M manual section 707.8 Station and Tank Farm Piping and Tanks. This section will be revised as follows:

707.8 Station and Tank Farm Piping and Tanks.

(a) Buried piping at pump stations and tank farms will be electrically inspected following the procedures listed in Section 707.3. Supplementary cathodic protection will be installed based on the results of the survey and inspection. ***During annual surveys, if multiple under tank permanent reference electrodes or a reference electrode pull through system are not available, record a minimum of four structure-to-soil potential readings around the perimeter of the tank at the base, typically oriented North, South, East, and West.***

(b) Tanks equipped with non-steel bottoms and tanks on concrete pads that have been determined not to be cathodically protected, will not need to be electrically inspected.

(c) After a new CP system has been installed and after adequate polarization has occurred, an initial survey shall be conducted to verify that the system satisfies applicable criteria. The survey shall include:

- Structure–to-soil potential
- Anode current
- Structure-to-structure potential
- Piping-to-tank isolation if protected separately
- Structure-to-soil potential on adjacent structures
- Continuity of structures if protected as a single structure
- Rectifier DC volts, DC amps, efficiency, and tap settings

(d) Other inspections involved with the CP systems for breakout tanks including rectifiers (Section 707.4), bonds (Section 707.9), insulating devices (Section 701.6), and stray current interference (Section 701.7) shall be done in accordance with each section.

(e) A record of each inspection will be made and documented in the PCS database as soon as practicable after completion of the inspection.

As part of the API 653 inspection program, tank bottoms shall be inspected for top side and bottom side corrosion to determine the effectiveness of its CP system.

Item #5 - §195.402 Procedural manual for operations, maintenance, and emergencies.

Jayhawk's safety related condition procedures in Section 500 of the O&M manual did not contain clear guidance on when a safety related condition report (SRCR) should be filed when related to a repair of an integrity management program anomaly. Section 502 of the O&M plan only addresses the differences between "Discovery" as it is used in SRCRs and how it is used in the integrity management program. However, there is no guidance to specifically indicate that a SRCR must be filed if a 20% or more pressure reduction is taken and the integrity repair cannot be completed within five days of determination or 10 days from the date of discovery as it pertains to SRCRs. During PHMSA's inspection, it was determined that there was confusion about reporting SRCRs in those situations with anomaly digs and the reporting requirements to PHMSA in the integrity management regulations.

Jayhawk must amend its procedures to comply with the requirements of § 195.402(f).

RESPONSE: Jayhawk is in the process of amending its O&M procedures to clarify that an SRCR evaluation shall be conducted when anomalies cannot be remediated by the required deadline as described in 49CFR 195.452(h)(4). Although Jayhawk has performed this analysis when the situation required, the procedures will be amended to provide specific guidance.

If you need any further information from Jayhawk, please contact myself at (620) 242-2412 or William Patton at (620) 755-5914.

Best regards,

Craig Harms

Director of Operations

C: Greg Brown, VP Pipelines and Terminals
Michelle Slyder, Manager, DOT Compliance
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