

October 31, 2022

**VIA ELECTRONIC MAIL**

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**Re: Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Amended) ("Notice"), CPF 3-2022-058-NOPV**

Dear Mr. Ochs:

This letter responds to the above-referenced Notice issued on September 14, 2022 in connection with the August 2019 inspection of Coffeyville Resources Crude Transportation, LLC's ("CRCT") procedures for Control Room Management ("CRM"). Documents referenced in CRCT's response can be downloaded through the link that was provided in the email. The documents have been placed in folders corresponding to the items in the Notice.

Pursuant to 49 CFR § 190.208, CRCT is contesting the allegations but electing not to request a formal hearing on the matter. Following PHMSA's review, CRCT requests an opportunity to further discuss these matters and CRCT's response. On October 11, 2022, PHMSA granted CRCT's request for an extension of time to respond to the Notice, giving CRCT until October 31, 2022 to respond. CRCT appreciates the additional time to respond.

It is CRCT's position that it has not violated the leak detection and control room requirements under 49 CFR §§ 195.444 and 446. Please consider the following.

**Notice of Probable Violation**

Below are CRCT's responses to each of the items in the Notice:

1. **§ 195.444 Leak detection. (a) . . . .**

**(c) CPM leak detection systems. Each computational pipeline monitoring (CPM) leak detection system installed on a hazardous liquid pipeline must comply with API RP 1130 (incorporated by reference, see § 195.3) in operating, maintaining, testing, record keeping, and dispatcher training of the system.**

**CRCT Response:** Without responding to the substance of PHMSA's allegations in item #1 and without admission of liability, CRCT will agree to the terms of the Proposed Compliance Order

but notes that all of the work has already been completed. Please see the response below to Proposed Compliance Order and referenced attachments.

On April 26, 2020, the Control Room added Section 4.10 to the CRM Manual which reflects API 1130 Section 6.2.6 regarding CPM tests and associated recordkeeping. Section 4.10 also identifies methods of testing including simulated leaks or actual removals of liquid from the line. The Revision Log, CRM procedural language reflective of API 1130, and Section 6.2.6 of API 1130 are shown below. The 2019 version, as well as the most current CRM Manual is also attached as supporting documentation outlining what was evaluated during the time of the August inspection, what is currently utilized, and what revisions were made.

CRCT is working to develop a clearer process outlining ROC's role vs CRCT's role during CPM testing. CRCT is more clearly defining all aspects considered and utilized in the incorporation of API 1130 regarding the operation, maintenance, testing, record keeping, and training of the system.

The CRM Manual has been updated to address API 1130 Section 6.3.1 Security, 6.3.2 Parameter Changes and 6.6.3 Pipeline System Maintenance Activities. Access to the control room, access to the console, and user logins restrict access to the user interface device. Inhibited alarms are allowed by approval only. And lastly, changes to the system are governed by the MOC process. See below for supporting documentation.

6.3.2 of API 1130 states that, "Provisions should be made against any alarm, parameter, and/or sensor being inhibited without just cause." Section 8.9.5.1 Inhibited Alarms in the updated CRM Manual states that Controllers must have permission in order to inhibit any alarm. 6.3.2 goes on to say that an audit trail should be maintained. All changes to the CPM system are governed by the MOC process as shown below:

Additionally, section 3.1 of the CRM Manual states that only qualified controllers are allowed login access to the SCADA system.

CRCT has completed the required training of the Pipeline Controllers and CPM support staff. Training records are included in Folder 1. CRCT is maintaining records consistent with API 1130 Section 6.6.

**2. § 195.446 Control room management.**

(a) . . . .

(f) **Change management.** Each operator must assure that changes that could affect control room operations are coordinated with the control room personnel by performing each of the following:

(1) **Implement section 7 of API RP 1168 (incorporated by reference, see § 195.3) for control room management change and require coordination between control room representatives, operator's management, and associated field personnel when planning and implementing physical changes to pipeline equipment or**

**configuration; and ....**

**CRCT Response:** CRCT has developed procedures for change management and coordinating between control room representatives, management and associated field personnel when planning and implementing physical changes. Based on a review of PHMSA's allegations and CRCT's records, CRCT does not agree with PHMSA's conclusion that when implementing a leak detection system it failed to follow its procedures regarding change management and the requirements under 49 CFR § 195.446(f)(1). CRCT does not believe there is a basis for the proposed civil penalty.

In April 2018, CRCT and ROC began the process of point testing, migrating ATMOS Leak detection points from CRCT to ROC servers, and establishing procedures for controller training. Within the training procedures, CRCT and ROC established system specific Abnormal Operating Conditions requiring controller response and CRCT Operations notification, including Leak Alarm recognition and notification/dispatcher response. ROC Controllers were provided with a MOC Notification document dated 5/17/2018 in addition to the procedures to inform ROC of the initiation of the training process. CRCT-ROC also documented the transition of operational responsibility of CRCT pipeline assets to ROC on the MOC Form 11-5 dated 9/17/2018. Copies of the training procedures, the MOC Notification document and the documented transition of operational responsibility are included in Folder 2..

The Notice indicates that certain ROC personnel represented that the MOC procedures had not been followed. CRCT disagrees with this statement. As noted above and in the attached documents, CRCT coordinated with ROC during the transition, developed specific procedures and prepared MOC Notification documents that were provided to ROC. The ROC personnel that were interviewed by PHMSA during the inspection may not have been fully aware of the coordination efforts or the MOCs.

**3. § 195.446 Control room management. (a) . . . .**

**(f) Change management. Each operator must assure that changes that could affect control room operations are coordinated with the control room personnel by performing each of the following:**

**(1) . . . .**

**(1) Require its field personnel to contact the control room when emergency conditions exist and when making field changes that affect control room operations.**

**CRCT Response:** CRCT Operations and ROC Controllers conduct morning meetings to inform ROC Controllers of planned field changes and to provide the controller on duty with the stations/locations where CRCT Operators will be working each day. Based on a review of PHMSA's allegations and CRCT's records, CRCT does not agree that CRCT's field personnel failed to contact the control room when emergency conditions existed and when making field changes that affected control room operations. CRCT does not believe there is a basis for the proposed civil penalty.

CVR Daily Shift Log 8/19/2019- The log details the ROC controller speaking with and conducting a setpoint test at Broome Station with the CRCT Operator at 7:30am and 9:56am. Following the 7:30am test, CRCT and ROC conduct the 8:00am daily meeting in which the Operator responsible for Broome and Coffeyville Stations inform the team those sites will be his locations for the day. CRCT Operators notified ROC controllers by phone upon arrival and departure of each station. The on-duty controller was aware the CRCT operator was onsite at Coffeyville Station and notified him of an issue at 11:40am.

ROC Controllers are trained to notify CRCT Operations Manager Kevin Thomas immediately in the event Coffeyville Station Pump 002 shuts down or Mainline EIV Valve (V204) closes whether the site is manned or not as Coffeyville Station is the single and critical delivery to the refinery to maintain supply. The ROC Controller was aware CRCT Operations were at the station and followed procedure making the notification following the pump shutdown to operations at 2:40pm. Please see supporting shift logs and notification procedures in Folder 3. Please note that "Midway" referred to in the shift logs is not related to CRCT Operations. This is another operator's line that flows to CRCT facilities. CRCT and ROC were made aware of the notes in the shift log at the same time. Therefore, prior notification was not required.

CVR Daily Shift Log 8/20/2019- As detailed in the 8/19/2019 shift log, station testing is a collaboration between CRCT Operations and the ROC Controller on duty. The Emergency Shutdown Testing on 8/20/19 details the involvement of ROC SCADA Engineer Chris Garcia as well. The testing was a coordination between the on-duty ROC Controller, ROC SCADA Engineer and the CRCT Station Operator. CRCT Operations are required to be onsite to reset locally and return stations to normal operations. Please see supporting documentation in Folder 3.

4. **§ 195.446 Control room management. (a) . . . .**

**(h) Training. Each operator must establish a controller training program and review the training program content to identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months. An operator's program must provide for training each controller to carry out the roles and responsibilities defined by the operator. In addition, the training program must include the following elements:**

**(1) Responding to abnormal operating conditions likely to occur simultaneously or in sequence;**

**CRCT Response:** CRCT implemented a controller training program that included responding to abnormal operating conditions (AOCs) likely to occur simultaneously or in sequence. Based on a review of PHMSA's allegations and CRCT's records, CRCT does not agree that its training program was deficient at the time of the August 2019 inspection. CRCT does not believe there is a basis for the proposed civil penalty.

In May 2018, ROC Controllers began training with CRCT Operations personnel in preparation to assume control center operational responsibility for the CVR Pipeline System. AOCs were

established by CRCT and ROC Management and included in the training procedures. All ROC Controllers were trained and tested on Abnormal Operating scenarios involving sequential AOCs. This is specifically detailed in questions 5, 7, and 11 of the CVR System Specific Training Exam. The exams were provided to PHMSA during the August 2019 inspection. Please see supporting documentation entitled “CVR Notification and Training” in Folder 4.

5. **§ 195.446 Control room management.**

(a) ...

(j) **Compliance and deviations. An operator must maintain for review during inspection:**

(1) **Records that demonstrate compliance with the requirements of this section; and**

....

**CRCT Response:** CRCT maintained the necessary records as required under 49 CFR § 195.446(j). Based on a review of PHMSA’s allegations and CRCT’s records, CRCT does not agree with PHMSA’s conclusion that it maintained improper records or inadequate forms at the time of the August 2019 inspection. CRCT does not believe there is a basis for the proposed civil penalty.

At the time of the August 2019 inspection, the CRM manual included Monthly Alarm Review documentation, Monthly Alarm and Alarm Deficiency documentation, Alarm Deficiencies (Deficiency, Date Discovered and Date Corrected, basis for selection and corrective action taken), details of Point(s) Taken Off Scan, and Point(s) Inhibited (Date and Time Inhibited and Restored). Although these documents were not expressly labeled “Forms 11-10” and “Form 11-16,” they were clearly labeled Remote Operations Center Monthly Alarm Review, and specifically detail the metrics required by code: Inhibited Alarms (Specific Date/Time Inhibited and Restored), Point(s) Taken Off Scan, False Alarms, and Forced or Manual Alarms. The Monthly Alarm Review forms also document and details Alarm Deficiencies including the specific deficient alarm, date discovered and corrected, basis for selections, and corrective actions taken. Please see supporting documentation in Folder 5 titled “CVR Monthly Alarm Review and Alarm Deficiency Document.” The CRM manual was provided to PHMSA during the August 2019 inspection.

In the 3 years since the August inspection, CRCT and ROC (now Everline) have made changes to the CRM manual. One of the changes, which was made in an effort to address a recommendation from a subsequent PHMSA inspection, was the development of more detailed forms. While CRCT has made revisions, it remains CRCT’s position that the 2019 CRM manual and the documentation contained therein met the recordkeeping requirements under 49 CFR § 195.446.

Regarding procedures and records to comply with 195.446(f) Change Management, please see the records in Folder 5 entitled “CVR MOC notification and training” showing coordination with control room personnel. In addition to reviewing the Form 11-1 Shift Turnover document at each shift change, ROC controllers are also emailed the shift to log review prior to taking shift.

Procedurally, 7.3 of the 2019 CRM Manual states in the first paragraph that, “*No changes are initiated until all approvals are completed by Management.*”

Under “Acceptance” part of 7.3, the manual states, “*Before implementation of any MOC both Operations Manager and the Control Room Manager must review and approve each section of the MOC. By approving the MOC to be implemented, the Operations Manager and Control Room Manager are assuring that all changes have been communicated and trained on as necessary for each of the affected personnel.*”

Additionally, 7.4 “Inclusion of Pipeline Control Room Personnel” states, “*...Adequate notification, time and resources should be devoted to training Control Room personnel on the impact of the change to operations....*”

Furthermore, Section 7.6 “Notification and Training” states, “*Before implementing changes that affect the Pipeline Control Room operations, notification, or training should be provided to ensure affected personnel are qualified prior to implementing the change...*”

The 2019 version of the CRM Manual, from which the above procedures are shown, is included in Folder 5.

### **Proposed Compliance Order**

As explained above, CRCT has already completed the requirements outlined in the Proposed Compliance Order as follows:

- A. In regard to Item 1 of the Notice pertaining to API 1130 Section 6.2.6, Test Records, CVR must create a procedure and associated documentation that will dictate the requirements for CPM tests. This must include the types of changes that will require a retest, identify periodic tests, identify original site specific test requirements, clarify what types of tests may be used (simulation, withdrawal, etc.), include periodic test frequency, define that the type of test that is performed must be part of the documentation of a test, require specifics of how the test was performed to be part of the test documentation, and require that a record of the test results along with the applicable test date be maintained for test documentation. CVR must document the type of test and specific date that these tests were performed for the existing Coffeyville assets and Atmos CPM system. The documentation must also clarify the associated output of those tests so that the documentation is complete and will provide clarification regarding that which is described in the Atmos International Operation and Maintenance manual. This documentation must be submitted to the Central Region Director and completed within 120 days of the receipt of the Final Order.

**CRCT Response A:** As outlined in response to item #1 above, this alleged deficiency has been addressed. CRCT, Atmos, and the ROC (Everline) have documented tests for the 3 years since the inspection that have been provided to PHMSA. Additionally, Site Acceptance Tests, Factory

Acceptance Tests, and the most recent tests for the associated pipelines are attached. In the Site Acceptance Tests, there are details for the procedures used for testing the leak detection system.

- B. In regard to Item 1 of the Notice pertaining to records, procedures, or other forms of documentation used by CVR, which were not available to demonstrate compliance with § 195.444 in operating, maintaining, testing, record keeping, and dispatcher training of the system, CVR must create API RP 1130 documentation requirements and integrate those requirements within its CRM procedures. Specifically, CVR's CRM procedures must be amended to include reference to API 1130 Section 6.3 Operating Issues and must be amended to ensure that the following issues are considered: API RP 1130 Section 6.3.1 Security, 6.3.2 Parameter Changes, 6.3.3 Pipeline System Maintenance Activities. A listing of the instrumentation that is involved in the leak detection system shall also be prepared. Additionally, a process shall be established for how this instrumentation will be adequately maintained between CVR and ROC. Clarification in procedures and associated documentation shall be established to define the types of changes that will result in the required maintenance and how the integrity of the CPM system will be maintained through instrumentation maintenance or replacement. The procedures and documentation shall clarify when a task is considered as maintenance only and does not require retesting of the Atmos system (changes requiring retests are described in paragraph A above). This must also include a review of Section 6.6 CPM Documentation of API 1130 and identify how the list of considerations were reviewed and clarify which of the considerations will be included with the CPM system implementation and documentation. All resulting documentation and procedures must be submitted to the Central Region Director within 90 days of receipt of the Final Order.

**CRCT Response B:** CRCT has shown with the attached documentation that leak tests have been performed to API 1130 standard. CRCT is working to develop our procedures to more clearly align with API 1130.

- C. In regard to Item 1 of the Notice pertaining to API 1130 Section 6.5, Controller Training and Retraining, CVR must require that users of the CPM system (i.e. the Pipeline Controllers) and any CPM support staff receive appropriate CPM training specific to the Atmos system and specific to CVR. Along with support staff, this training must include controllers scheduled to operate CVR and those controllers that are cross trained on the console with CVR assets, leads, managers, and supervisors over the CVR assets. Training must be completed, and training content along with records identifying who attended this training must be submitted, to the Central Region Director within 90 days of receipt of the Final Order

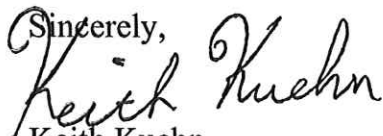
**CRCT Response C:** In 2020, Atmos personnel traveled to ROC (Everline's) facilities to administer training to controllers and ROC personnel. See attached agenda. It is CRCT's contention that this has been completed since that time.

- D. It is requested that CVR maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Gregory A. Ochs, Director, Central, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

**CRCT Response D:** CRCT will attempt to capture all costs associated with the fulfilling of this Compliance Order.

CRCT is committed to compliance with the requirements of PHMSA and appreciates your consideration of this additional information. In the 3 years since the August 2019 inspection, CRCT believes that it has addressed all the alleged deficiencies listed in the Proposed Compliance Order. CRCT respectfully requests that PHMSA take our responses into consideration and withdraw the preliminarily assessed civil penalty of \$141,000. We would appreciate an opportunity to discuss the Notice and this response before PHMSA issues a final order and request that PHMSA provide its preliminary assessed civil penalty calculation in advance of a meeting.

Please contact Blake Record at 405-250-0910 or via email at [BRecord@CVREnergy.com](mailto:BRecord@CVREnergy.com) if you have any questions or cannot access or open the documents.

Sincerely,  


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Mr. Ronald McGill (via electronic mail)  
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