



Tricia G. Dietrich Petty
Executive Director – Health & Safety

July 13, 2023

By Electronic Mail

Mr. Gregory Ochs
Director, Central Region, Office of Pipeline Safety
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
901 Locust Street
Suite 480
Kansas City, Missouri 64106

Re: NuStar Pipeline Operating Partnership L.P.
Warning Letter
CPF No. 3-2023-018-WL

Dear Mr. Ochs:

On behalf of NuStar Pipeline Operating Partnership L.P. (NuStar or the Company), this letter is to acknowledge receipt of the above-referenced Warning Letter issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA or the Agency) on June 13, 2023.

The Warning Letter alleges two (2) probable violations of the federal pipeline safety regulations of 49 C.F.R. Part 195 identified during an inspection of NuStar's anhydrous ammonia pipeline facilities in 2022. NuStar is committed to safely operating its pipeline system in compliance with federal pipeline safety regulations. While the Warning Letter does not require a response, we respectfully write to clarify certain factual inaccuracies and to provide additional context, as set forth below.

With respect to Finding no. 1, NuStar already maintained and operated an Emergency Shutdown Device ("ESD") in accordance with the cited regulation at the time of the inspection. The existing ESD was located inside the building at the pump station to preserve it from the elements. Pursuant to PHMSA's request during the inspection, on November 30, 2022, NuStar installed another ESD outside of the building approximately twenty-five (25) feet from the existing ESD. Irrespective of the installation of the second ESD, however, NuStar was already compliant with the cited regulation at the time of the inspection.

With respect to Finding no. 2, PHMSA alleged that the meter prover piping at NuStar's Blair Delivery Station and Washington Station failed to comply with § 195.583(b) and inspection requirements in the Company's Corrosion Control Procedure Manual. Pursuant to past PHMSA

interpretive guidance,¹ the point of demarcation for PHMSA jurisdiction on pipes moving product away from plant grounds is the “inlet of the pressure control device.” The referenced meter provers are located on pipelines moving product away from the plant and on the plant side of the inlet pressure control device. As such, they are not within PHMSA’s jurisdiction and should not be included in the inspection or any enforcement action. Furthermore, NuStar is currently in the process of removing all thermal insulation on these pipes and conducting API 570 inspections as part of best practices and the internal Facility Integrity Management Program. As such, even if any PHMSA insulation requirements currently apply to referenced pipes, they will soon become inapplicable.

NuStar appreciates the opportunity to respond to the Warning Letter and provide additional clarification. Please let me know if you have any questions or would like to discuss further.

Sincerely,

A handwritten signature in blue ink that reads "Tricia G. Dietrich Petty". The signature is fluid and cursive, with the first name "Tricia" being the most prominent.

Tricia G. Dietrich Petty

¹ PHMSA Interpretation Response #PI-19-0017 (June 8, 2021), available at <https://www7.phmsa.dot.gov/regulations/title49/interp/PI-19-0017>.