

July 1, 2024

Mr. Gregory A. Ochs
Director, Central Region OPS
Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Suite 480
Kansas City, MO
64106

Re: Alliance Pipeline L.P.'s Notice of Probable Violation (CPF 3-2024-030-NOPV)

Dear Mr. Ochs,

Alliance Pipeline L.P. (Alliance) values the partnership it has with the Pipeline and Hazardous Material Safety Administration (PHMSA) in assuring public safety and regulatory compliance. Alliance continues to maintain plans, procedures, and standards that meet or exceed PHMSA regulations while maintaining a safety culture that proactively promotes and recognizes operational compliance as a top priority.

This letter is confirming the receipt of the "Notice of Probable Violations" regarding an alleged probable violations found by PHMSA representatives within the Alliance plans and/or procedures, records and/or forms during the inspection of Alliance's Control Room Management Program from July 26th, 2023, through September 14th, 2023. Alliance appreciates PHMSA's efforts during the audit and the valuable input regarding areas to improve our plans and procedures. We find this process useful to further refining our Pipeline Safety Programs.

Regarding NOPV #1 (§192.631(d)(3)) stating that "Alliance failed to maintain appropriate records to demonstrate that it had trained controllers to recognize the effects of fatigue as required by § 192.631(j)(1). Additionally, Alliance failed to follow its procedures in its CRM Plan section 4.3.5.1.1 that required fatigue management training once per calendar year, at intervals not to exceed 15 months. A review of Alliance's records identified five employees who were not recorded as completing the required refresher fatigue training: one in 2020 and four in 2022. Alliance indicated during the inspection that in 2022, while the individuals did take the Learning Management System (LMS) course, they did not complete the associated test, so the training was not completed pursuant to the CRM Plan. As a result, Alliance was not able to demonstrate that it had trained controllers and supervisors to recognize the effects of fatigue, in violation of § 192.631(d)(3)."

- 1) Alliance is not contesting the alleged violation.
- 2) Alliance acknowledges PHMSA has issued a "Warning Item" for NOPV #1 after reviewing the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time.

- 3) Alliance acknowledges that we need to promptly correct this item, failure to do so may result in additional enforcement action from PHMSA.

Regarding NOPV #2 (§192.631(e)(1)) stating that “Alliance failed to identify specific points as safety-related points in its CRM Plan, and to implement them in its SCADA master database to assure alarms are accurate and support safe pipeline operations, in violation of § 192.631(e)(1).

- 1) Alliance is not contesting the alleged violation.
- 2) Alliance will take the required actions in the proposed compliance order by identifying specific points as safety-related points in its CRM Plan Section 3-4.3.3.3 and to implement them in its SCADA master database to assure alarms are accurate and support safe pipeline operations. Alliance will review the SCADA points to determine which apply to the Special Permit and develop SCADA monitoring points if they are not currently available. These safety-related points will be identified in its procedure and implemented in the SCADA master database. A review of all points will be conducted to verify consistent implementation of points in the SCADA master database, as well as inclusion of points related to power and communication failure.
- 3) Alliance is submitting this written request for an extension of time to complete the proposed compliance order and alleged violation regarding NOPV #2.
 - a. Alliance is requesting a November 1, 2024, time extension to complete the proposed compliance order.
 - b. Effective April 1, 2024, 100% of the equity interest in Alliance Pipeline L.P. is now owned by Pembina U.S. Corporation and Fort Chicago Pipeline II US L.P. (“Pembina”), which acquired the remaining equity interests in Alliance Pipeline L.P. from their partner EIF US Holdings Inc. (“Enbridge”).
 - i. To facilitate an orderly transition in operations, Enbridge will be providing operations transition support for a period of up to 12 months.
 - ii. During the transition period, Control Room procedures will continue to follow existing documented practices, supported by Enbridge policies and systems.
 - o Pembina is in the process of transitioning Alliance to Pembina procedures, resource constraints as well as our ongoing transition demands moving Gas Control to Pembina will require the additional time requested (November 1, 2024) to address the proposed compliance order and ensure compliance within Pembina procedures.

Pembina Pipeline Corporation

4000, 585 – 8th Avenue S.W., Calgary, Alberta Canada T2P 1G1
Telephone: (403) 231-7500 Fax: (403) 237-0254

Regarding NOPV #3 (§192.631(h)) stating that "Alliance failed to complete its review of the controller training program content to identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months, per § 192.631(h). Specifically, Alliance's 2021 annual review was completed on October 26, 2021, and its 2022 annual review was completed on January 4, 2023. Alliance failed to complete a review in calendar year 2022. Alliance indicated it was having difficulty scheduling various groups to support the review. This caused them to fail the interval requirement prescribed in § 192.631(h)."

- 1) Alliance is not contesting the alleged violation.
- 2) Alliance acknowledges PHMSA has issued a "Warning Item" for NOPV #3 after reviewing the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time.
- 3) Alliance acknowledges that we need to promptly correct this item, failure to do so may result in additional enforcement action from PHMSA.

If you need further information or clarification regarding this matter, please contact Bob Bachmeier at (701) 394-9722 (office) or (701) 509-1626 (cell).

Sincerely,

A handwritten signature in black ink that reads "Bob Bachmeier". The signature is written in a cursive, slightly slanted style.

Bob Bachmeier
Specialist, Regulatory Pembina US
Pembina Pipeline Corporation
BBachmeier@Pembina.com

CC:

Scott Seibert, Manager, Environment, Operations & Compliance U.S.
Jeff Finch, Sr. Advisor, Regulatory Pembina US
Christian Lucas, Supervisor, Alliance Gas Control
Heather Christie-Burns, Vice President, Transmission Pipelines
Ian Hunt, Director, Gas Operations
John Stevenson, Director, Sustainability, Environment & Regulatory