



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

September 26, 2025

VIA ELECTRONIC MAIL TO: colin.gruending@enbridge.com

Colin K. Gruending
Executive Vice President and President, Liquids Pipelines
Enbridge Inc.
200 Fifth Avenue Place
425 – 1st Street SW
Calgary, Alberta, Canada T2P 3L8

Re: CPF No. 3-2024-045-NOPV

Dear Mr. Gruending:

Enclosed please find the Final Order issued in the above-referenced case. It withdraws one of the allegations of violation, makes other findings of violation, assesses a reduced civil penalty of \$75,300, and specifies actions that need to be taken by Enbridge Storage (Cushing), LLC to comply with the pipeline safety regulations. The penalty payment terms are set forth in the Final Order. When the civil penalty has been paid and the terms of the compliance order completed, as determined by the Director, Central Region, this enforcement action will be closed. Service of the Final Order by e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

LINDA GAIL
DAUGHERTY

Digitally signed by LINDA
GAIL DAUGHERTY
Date: 2025.09.24
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Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosure (Final Order)

cc: Mr. David Barrett, Acting Director, Central Region, Office of Pipeline Safety, PHMSA
Mr. Eric Anderson, Regulatory Compliance, Enbridge Storage (Cushing), LLC,
eric.anderson@enbridge.com

Mr. Kevin Ruffatto VP, US Operations, Enbridge Storage (Cushing), LLC,
kevin.ruffatto@enbridge.com

Mr. Jeff Cremin, PE, Manager, US Liquid Pipeline Compliance, Enbridge Storage
(Cushing), LLC, jeffrey.cremin@enbridge.com

Mr. Steven Dahnke, Manager, Safety and Quality, Enbridge Storage (Cushing), LLC,
steven.dahnke@enbridge.com

CONFIRMATION OF RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of	)	
	)	
Enbridge Storage (Cushing), LLC,	)	
a subsidiary of Enbridge Inc.,	)	CPF No. 3-2024-045-NOPV
	)	
Respondent.	)	
	)	

FINAL ORDER

From September 18 to September 28, 2023, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the control room management records and procedures of Enbridge Storage (Cushing), LLC (Enbridge) at its control room in Cushing, Oklahoma. Enbridge manages 23 miles of hazardous liquid pipelines and 110 breakout tanks at two separate facilities in Cushing, Oklahoma.

As a result of the inspection, the Director, Central Region, OPS (Director), issued to Respondent, by letter dated May 10, 2024, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). In accordance with 49 CFR § 190.207, the Notice proposed finding that Enbridge had committed three violations of 49 CFR Part 195, proposed assessing a civil penalty of \$78,200 for the alleged violations, and proposed ordering Respondent to take certain measures to correct the alleged violations. The Notice also included a warning item pursuant to 49 CFR § 190.205, which warned Respondent to correct the probable violation or face possible future enforcement action.

Enbridge Inc., the parent company of Enbridge, responded to the Notice by letter dated June 7, 2024 (Response). On June 20, 2024, Central Region requested clarification of Respondent's written response. On July 5, 2024, Respondent submitted a Supplemental Response (Supplemental Response) to clarify that it was contesting Item 1 and requested a meeting with the Central Region. A meeting was held on July 11, 2024, where Respondent presented additional information regarding the operation of its system. On May 5, 2025, Respondent submitted a Second Supplemental Response (Second Supplement Response), where it argued the proposed penalties should be eliminated or significantly reduced. Respondent did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

The Notice alleged that Respondent violated 49 CFR Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 CFR § 195.446(c)(3), which states:

§ 195.446 Control room management.

(a)

(c) *Provide adequate information.* Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:

(1)

(3) Test and verify an internal communication plan to provide adequate means for manual operation of the pipeline safely, at least once each calendar year, but at intervals not to exceed 15 months;

The Notice alleged that Respondent violated 49 CFR § 195.446(c)(3) by failing to test and verify an internal communication plan to provide adequate means for manual operation of the pipeline safely, at least once each calendar year, but at intervals not to exceed 15 months. Specifically, the Notice alleged that Enbridge failed to test and verify its internal communication plan in 2021 and that the test conducted in 2020 was inadequate.

In its Response, Enbridge contested Item 1. Enbridge stated that it tested its communication plan on October 21, 2021, and provided associated records and additional details about its internal communication plan testing process.

In a recommendation for final action submitted pursuant to section 190.209(b)(7), the Director recommended withdrawing the alleged violation of section 195.446(c)(3).

Based upon the foregoing, I hereby order that Item 1 be withdrawn.

Item 3: The Notice alleged that Respondent violated 49 CFR § 195.446(e)(2), which states:

§ 195.446 Control room management.

(a)

(e) *Alarm management.* Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:

(1)

(2) Identify at least once each calendar month points affecting safety that have been taken off scan in the SCADA host, have had alarms inhibited, generated false alarms, or that have had forced or manual values for periods of time exceeding that required for associated maintenance or operating

activities;

The Notice alleged that Respondent violated 49 CFR § 195.446(e)(2) by failing to identify at least once each calendar month points affecting safety that have been taken off scan in the SCADA host, have had alarms inhibited, generated false alarms, or that have had forced or manual values for periods of time exceeding that required for associated maintenance or operating activities. Specifically, the Notice alleged that Enbridge failed to have and follow a written alarm management plan to provide for effective controller response to alarms because the plan failed to define the points affecting safety that require identification, failed to require records of their identification, and failed to include all consoles in each monthly review.

In its Response, Enbridge did not contest Item 3.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 195.446(e)(2) by failing to identify at least once each calendar month points affecting safety that have been taken off scan in the SCADA host, have had alarms inhibited, generated false alarms, or that have had forced or manual values for periods of time exceeding that required for associated maintenance or operating activities.

Item 4: The Notice alleged that Respondent violated 49 CFR § 195.446(e)(5), which states:

§ 195.446 Control room management.

(a)

(e) *Alarm management.* Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:

(1)

(5) Monitor the content and volume of general activity being directed to and required of each controller at least once each calendar year, but at intervals not exceeding 15 months, that will assure controllers have sufficient time to analyze and react to incoming alarms; and

The Notice alleged that Respondent violated 49 CFR § 195.446(e)(5) by failing to monitor the content and volume of general activity being directed to and required of each controller at least once each calendar year, but at intervals not exceeding 15 months, to assure controllers have sufficient time to analyze and react to incoming alarms. Specifically, the Notice alleged that Enbridge failed to complete the workload study required by section 195.446(e)(5) for consoles 96, 98, and 99 in calendar year 2022.

In its Response, Enbridge did not contest Item 4.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 195.446(e)(5) by failing to monitor the content and volume of general activity being directed to and required of each controller at least once each calendar year, but at intervals not exceeding 15 months, to assure controllers have sufficient time to analyze and react to incoming alarms.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.¹

In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 CFR § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; any effect that the penalty may have on its ability to continue doing business; the good faith of Respondent in attempting to comply with the pipeline safety regulations; and self-disclosure or actions to correct a violation prior to discovery by PHMSA. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require.

The Notice proposed a total civil penalty of \$78,200 for the violations cited above. Effective May 20, 2025, PHMSA revised its proposed civil penalty calculation policy to use the version of the Civil Penalty Worksheet in effect when the alleged violation occurred. The new policy reduces the total proposed civil penalty in this case to \$75,300.

Item 3: The Notice proposed a civil penalty of \$39,100 for Respondent's violation of 49 CFR § 195.446(e)(2), for failing to identify at least once each calendar month points affecting safety that have been taken off scan in the SCADA host, have had alarms inhibited, generated false alarms, or that have had forced or manual values for periods of time exceeding that required for associated maintenance or operating activities. The new policy for calculating a proposed civil penalty did not change the proposed civil penalty for this item.

In its Response, Enbridge neither contested the allegation nor presented any evidence or argument justifying a reduction in the proposed penalty. Likewise, in its Supplemental Response, which was submitted at the request of the Central Region to clarify Enbridge's response to Item 1, Enbridge did not contest the allegation or the proposed penalty for Item 3. Accordingly, Enbridge has waived its opportunity to contest the proposed penalty amount.

Ten months later, on May 5, 2025, Respondent submitted a Second Supplemental Response, which argued the penalty for Item 3 should be eliminated or withdrawn because the Notice did not provide an explanation of the penalty calculations and because the violations only involved "procedural and administrative shortcomings." Enbridge also suggested its proactive safety culture warranted reduction or elimination of the civil penalties. Having already waived its opportunity to contest the penalty, the Second Supplemental Response was untimely, per 49 CFR

¹ These amounts are adjusted annually for inflation. See 49 CFR § 190.223 for adjusted amounts.

§ 190.208.

After reviewing the record, I find the proposed penalty amount supported by the evidence in the record. With respect to the gravity of the violation, the Pipeline Safety Violation Report in Part E6 indicated that “[p]ipeline safety was minimally affected” by Respondent’s violation of 49 CFR § 195.446(e)(2). Therefore, the penalty calculation appropriately reflected that the violation did not constitute a significant safety concern. As indicated in the Pipeline Safety Violation Report Part E5 – Circumstances, PHMSA discovered the violation, it was not self-disclosed by Enbridge. In Part E7– Culpability, Respondent did not receive an available credit because Enbridge did not take actions to correct the violation before PHMSA learned of the violation. For these reasons, I find the proposed civil penalty is supported by the facts in the record.²

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$39,100 for violation of 49 CFR § 195.446(e)(2).

Item 4: The Notice proposed a civil penalty of \$39,100 for Respondent’s violation of 49 CFR § 195.446(e)(5), for failing to monitor the content and volume of general activity being directed to and required of each controller at least once each calendar year, but at intervals not exceeding 15 months, to assure controllers have sufficient time to analyze and react to incoming alarms. The new policy for calculating a proposed civil penalty reduces the proposed civil penalty for this item to \$36,200.

In its Response, Enbridge neither contested the allegation nor presented any evidence or argument justifying a reduction in the proposed penalty. Likewise, in its Supplemental Response, which was submitted at the request of the Central Region to clarify Enbridge’s response to Item 1, Enbridge did not contest the allegation or the proposed penalty for Item 4. Accordingly, Enbridge waived its opportunity to contest the proposed penalty amount. In its Second Supplemental Response, Enbridge argued the penalty for Item 4 should be eliminated or withdrawn because the Notice did not provide an explanation of the penalty calculations and because the violations only involved “procedural and administrative shortcomings.” Enbridge also suggested its proactive safety culture warranted reduction or elimination of the civil penalties. As noted above, the Second Supplemental Response was untimely, per 49 CFR § 190.208.

After reviewing the record, I find the proposed penalty amount supported by the evidence in the record. With respect to the gravity of the violation, the Pipeline Safety Violation Report in Part E6 indicated that “[p]ipeline safety was minimally affected” by Respondent’s violation of 49 CFR § 195.446(e)(5). Therefore, the penalty calculation appropriately reflected that the violation did not constitute a significant safety concern. As indicated in the Pipeline Safety Violation Report Part E5 – Circumstances, PHMSA discovered the violation, it was not self-

² I note further that the Notice included the legal citations that establish the assessment criteria used to calculate the penalty. PHMSA also makes available in all proceedings a detailed calculation worksheet, which may be requested along with other records as provided by 49 U.S.C. § 60117(b)(1)(C) and 49 CFR § 190.209. Enbridge never requested the case file. Notwithstanding, Central Region produced the case file, including the penalty calculation worksheet, after receiving the Second Supplemental Response.

disclosed. In Part E7 – Culpability, Respondent did not receive an available credit because Enbridge did not correct the violation before PHMSA learned of the violation. For these reasons, I find the proposed civil penalty is supported by the facts in the record.

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a reduced civil penalty of \$36,200 for violation of 49 CFR § 195.446(e)(5).

In summary, having reviewed the record and considered the assessment criteria for each of the Items cited above, I assess Respondent a reduced total civil penalty of **\$75,300**.

Payment of the civil penalty must be made within 20 days after receipt of this Final Order. Federal regulations (49 CFR § 89.21(b)(3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMK-325), Federal Aviation Administration, Mike Monroney Aeronautical Center, 6500 S MacArthur Blvd, Oklahoma City, Oklahoma 79169. The Financial Operations Division telephone number is (405) 954-8845.

Failure to pay the civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 CFR § 901.9 and 49 CFR § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1 and 3 in the Notice for violations of 49 CFR § 195.446(c)(3) and 195.446(e)(2), respectively. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. As discussed above, Item 1 has been withdrawn. Therefore, the compliance terms proposed in the Notice for that item are not included in this Order. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 CFR § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of section 195.446(e)(2) (**Item 3**), Respondent must amend its procedure related to monthly alarm review, conduct two consecutive monthly reviews, and provide the amended procedures and inspection records to the Director within **120 days** of receipt of the Final Order.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

PHMSA requests that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. 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.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (*see* 49 CFR § 190.223 for adjusted amounts), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

WARNING ITEM

With respect to Item 2, the Notice alleged probable violation of Part 195, but identified it as a warning item pursuant to section 190.205. The warning was for:

49 CFR § 195.446(c)(2) (**Item 2**) — Respondent's alleged failure to conduct a point-to-point verification between SCADA displays and related field equipment when field equipment is added or moved and when other changes that affect pipeline safety are made to field equipment of SCADA displays.

Enbridge presented information in its Response showing that it will take certain actions to address the cited item. If OPS finds a violation of this provision in a subsequent inspection, Respondent may be subject to future enforcement action.

Under 49 CFR § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. The written petition must be received no later than 20 days after receipt of the Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 CFR § 190.243. The filing of a petition automatically stays the payment of any civil penalty assessed. The other terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective upon service in accordance with 49 CFR § 190.5.

LINDA GAIL
DAUGHERTY

Digitally signed by LINDA
GAIL DAUGHERTY
Date: 2025.09.24
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Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

September 26, 2025

Date Issued