



December 14, 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: Pembina Cochin, LLC's (Pembina) Notice of Probable Violation (CPF 3-2024-071-NOPV)

Dear Mr. Ochs,

Pembina Cochin, LLC's (Pembina) values the partnership it has with the Pipeline and Hazardous Material Safety Administration (PHMSA) in assuring public safety and regulatory compliance. Pembina 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 violation found by PHMSA, the Minnesota Office of Pipeline Safety (MNOPS) representatives within the Pembina plans and/or procedures, records and/or forms during the inspected in Palermo, North Dakota, and completed field observations of Pembina's condensate pipeline system facilities in Illinois and Indiana, from July 17, 2023 to September 22, 2023 July 26th, 2023, through September 14th, 2023. Pembina 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 – § 195.264 Impoundment, protection against entry, normal/emergency venting or pressure/vacuum relief for aboveground breakout tanks.

Pembina failed to maintain and provide to PHMSA documentation indicating that breakout tanks at Kankakee, Illinois, built after October 2, 2000, complied with NFPA-30 impoundment capacities, in violation of § 195.264(b)(1). Pursuant to NFPA-30, when the impounding around tanks by open diking strategy is used, section 22.11.2.2 applies. Section 22.11.2.2 states, "[t]he volumetric capacity of the diked area shall not be less than the greatest amount of liquid that can be released from the largest tank within the diked area, assuming a full tank."

To demonstrate compliance with the § 195.264(b)(1), Pembina must supply documentation to PHMSA indicating NFPA-30 compliant dike capacities exceed the volume of the largest tank. Pembina failed to maintain said documentation and thus was unable to provide it to PHMSA during the inspection to demonstrate compliance with the requirements of § 195.264(b)(1) Pembina failed to maintain and provide to PHMSA documentation indicating that breakout tanks at

Kankakee, Illinois, built after October 2, 2000, complied with NFPA-30 impoundment capacities, in violation of § 195.264(b)(1).

Pursuant to NFPA-30, when the impounding around tanks by open diking strategy is used, section 22.11.2.2 applies. Section 22.11.2.2 states, "[t]he volumetric capacity of the diked area shall not be less than the greatest amount of liquid that can be released from the largest tank within the diked area, assuming a full tank." To demonstrate compliance with the § 195.264(b)(1), Pembina must supply documentation to PHMSA indicating NFPA-30 compliant dike capacities exceed the volume of the largest tank. Pembina failed to maintain said documentation and thus was unable to provide it to PHMSA during the inspection to demonstrate compliance with the requirements of § 195.264(b)(1)

Response:

- 1) Pembina is not contesting the proposed compliance order and alleged violation.
- 2) Regarding Pembina's failure to provide records showing compliance for NOPV #1, Pembina has taken the required actions in the proposed compliance order and is supplying the documentation indicating the containment area will be NFPA-30 compliant for the shared dike capacities which exceed the maximum volume of the largest tank for the Kankakee, Illinois, facility. (See attached documentation)
- 3) Regarding Pembina bringing the containment area into compliance, Pembina has taken the necessary measures to meet the volume requirements and has completed the project as of December 13th, 2024. (See attached documentation and pictures)

Regarding NOPV #2. § 195.412 Inspection of rights-of-way and crossings under navigable waters.

Pembina failed to maintain its pipeline right-of-way (ROW) in a way such that its monitoring efforts meet the requirements of § 195.412(a). Specifically, during PHMSA's inspection, Pembina's ROW near Milepost (MP) 1402 (tract 47-A in Illinois) had significant tree and vegetation overgrowth and the ROW near MP 1645 (tracts 278 and 279 in Indiana) had canopy overgrowth that obstructed large areas of the ROW. Such conditions obstructed the inspection of the surface conditions on or adjacent to the pipeline ROW during aerial patrols.

Furthermore, based on Pembina's responses to PHMSA's follow-up inquiries, PHMSA discovered that none of Pembina's pilots reported ROW canopy deficiencies since calendar year 2020. Reporting ROW canopy deficiencies is covered in Pembina's training of its pilots. Since no ROW canopy deficiencies were reported, no follow-up activities were taken by field operations. Follow-up activities, such as conducting ground patrols at the areas of concern, would be necessary when aerial patrols are obstructed. The last time the ROW clearing was completed at the relevant locations was in December 2019, by the prior owner, Kinder Morgan, and before acquisition of the asset by Pembina. Following acquisition by Pembina, ROW clearance at both locations faced delays due to the environment conditions present in calendar years 2020 and 2021, then was overlooked for unknown reasons in calendar year 2022, per Pembina's response to the 90-day report, titled, "PHMSA 2023 Integrated Audit Requested Item 71603 Goshen #2."

Pembina Pipeline Corporation

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



Response:

- 1) Pembina Cochin is not contesting the alleged violation.
- 2) Following the field inspection that occurred on September 18 and 21, 2023, Pembina provided PHMSA photo evidence on October 17, 2023, that it appropriately cleared the ROW at the relevant areas on October 13, 2023.
- 3) On December 15, 2023, Pembina retrained its pilots who conduct aerial patrol inspections on proper reporting of ROW conditions, such that observations would be recorded and be relayed to field operations for action, if needed. Pembina provide the training records post inspection to PHMSA for review.
- 4) Pembina will be paying the Proposed Civil Penalty of \$43,500 for NOPV #2 (Sent to Pembina's accounting office to process on December 13th, 2024).

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 fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Bob Bachmeier

Manager, Regulatory and Environment, U.S. Pembina Pipeline Corporation

BBachmeier@Pembina.com

CC:

Scott Seibert, Director, Environment & Regulatory

Jeff Finch, Sr. Advisor, Regulatory Pembina US

Heather Christie-Burns, Vice President, Transmission Pipelines

Pete Marquart Manger US Pipeline District

Ian Hunt, Director TBU Operations

Pembina Pipeline Corporation

4000, 585 – 8th Avenue S.W., Calgary, Alberta Canada T2P 1G1

Telephone: (403) 231-7500 Fax: (403) 237-0254