

NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER

VIA ELECTRONIC MAIL TO: tampapc@outlook.com; stlouispipelinegm@outlook.com; Edric.kidd@panamericanpipelines.com

August 15, 2025

Robert Rose, President
St. Louis Pipeline Operating, LLC
4120 Higel Street
Sarasota, FL 34242

CPF 3-2025-029-NOPV

Dear Mr. Rose:

From May 20, 2024 through October 18, 2024, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.), conducted an inspection of St. Louis Pipeline Operating, LLC's (SLPCO) records and facilities in Madison County, Illinois and St. Louis County, Missouri.

As a result of the inspection, it is alleged that SLPCO has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. § 195.266 Construction records.

A complete record that shows the following must be maintained by the operator involved for the life of each pipeline facility:

- (a) The total number of girth welds and the number nondestructively tested, including the number rejected and the disposition of each rejected weld.**
- (b) The amount, location; and cover of each size of pipe installed.**
- (c) The location of each crossing of another pipeline.**
- (d) The location of each buried utility crossing.**

- (e) The location of each overhead crossing.**
- (f) The location of each valve and corrosion test station.**

SLPCO failed to demonstrate that it maintained complete records that show the total number of girth welds and the number of nondestructive tested, including the number of rejects and the disposition of each rejected weld, as required by § 195.266(a). In addition, SLPCO failed to demonstrate that it maintained records of the amount, location; and cover of each size of pipe installed, as required by § 195.266(b). Furthermore, SLPCO failed to demonstrate that it maintained records for the location of each valve, as required by § 195.266(f).

PHMSA inspectors requested during the on-site inspection the Lambert Airport Project records for weld reports, facility drawings, construction drawings, as-built drawings, and Non-Destructive Testing (NDT) reports, which would show the information required by §§ 195.266(a), (b), and (f). SLPCO did not produce records during the on-site inspection. PHMSA issued a Request for Specific Information (RFSI) to SLPCO on October 7, 2024, requesting these records. SLPCO representatives verbally confirmed receipt of the RFSI. However, SLPCO did not provide responsive documents to PHMSA, Central Region. Thus, SLPCO failed to demonstrate that it maintained records compliant with §§ 195.266 (a), (b), and (f). These records are critical to future decision making as it relates to, §§ 195.452(e) and (g) determining risk factors for assessment scheduling and information analysis.

2. § 195.406 Maximum operating pressure.

- (a) Except for surge pressures and other variations from normal operations, no operator may operate a pipeline at a pressure that exceeds any of the following:**
 - (1) The internal design pressure of the pipe determined in accordance with § 195.106. However, for steel pipe in pipelines being converted under § 195.5, if one or more factors of the design formula (§ 195.106) are unknown, one of the following pressures is to be used as design pressure:**
 - (i) Eighty percent of the first test pressure that produces yield under section N5.0 of Appendix N of ASME B31.8 (incorporated by reference, see § 195.3), reduced by the appropriate factors in §§ 195.106(a) and (e); or**
 - (ii) If the pipe is 323.8 mm (12¾ in) or less outside diameter and is not tested to yield under this paragraph, 200 p.s.i. (1379 kPa) gage.**
 - (2) The design pressure of any other component of the pipeline.**
 - (3) Eighty percent of the test pressure for any part of the pipeline which has been pressure tested under Subpart E of this part.**
 - (4) Eighty percent of the factory test pressure or of the prototype test pressure for any individually installed component which is excepted from testing under § 195.305.**
 - (5) For pipelines under §§ 195.302(b)(1) and (b)(2)(i), that have not been pressure tested under Subpart E of this part, 80 percent of the test pressure or highest operating pressure to which the pipeline was subjected for 4 or more continuous hours that can be demonstrated by recording charts or logs made at the time the test or operations were conducted.**

SLPCO failed to ensure its Lambert Airport Project did not operate at a pressure that exceeded the design pressure of all pipeline components pursuant to § 195.406(a)(2). Specifically, PHMSA requested records supporting the design pressure of the components of the SLPCO pipelines. SLPCO provided the of Maximum Operating Pressure Record, but did not provide adequate documentation related to the design pressures of the components in the pipeline system. As a follow-up, PHMSA sent a Request for Specific Information to SLPCO on October 7, 2024, which was verbally confirmed as received by its National Pipeline Manager. However, PHMSA did not receive responsive documents. Absent documentation of the design pressure of the components of the pipeline, SLPCO could not ensure its Lambert Airport Project did not operate at a pressure that exceeded the design pressure of any other component of the pipeline, pursuant to § 195.406(a)(2).

3. § 195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a)

(h) After December 16, 2004, provide training, as appropriate, to ensure that individuals performing covered tasks have the necessary knowledge and skills to perform the tasks in a manner that ensures the safe operation of pipeline facilities;

SLPCO failed to follow its written qualification program by not providing training, as appropriate, to ensure that an individual performing a covered task had the necessary knowledge and skills to perform the covered task in a safe manner, as required by § 195.505(h). During the PHMSA inspection on October 17, 2024, a PHMSA inspector asked a SLPCO employee to take readings from a rectifier. SLPCO records indicated the employee was qualified to perform the OQ Task Code 003.0, “Obtain a Voltage and Current Output Reading from a Rectifier to Verify Proper Performance (1:1),” but the employee did not demonstrate adequate knowledge of how to perform the task safely and correctly. The employee acknowledged his lack of experience with the task and indicated that he did not feel comfortable performing it, so the PHMSA inspector withdrew the request. Additionally, when preparing to enter a deep vault to demonstrate valve operation as covered in Task Code 063.4, “Locally Operate Valves on a Liquid Pipeline System (1:1),” the PHMSA inspector stopped the SLPCO employee from proceeding due to a lack of Confined Entry Permit and proper equipment to enter. SLPCO submitted a Confined Space Training Review Form dated July 24, 2023 to PHMSA afterwards, but during the in-field inspection of the pipeline, the employee did not know the requirements for entering a confined space.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$272,926 per violation per day the violation persists, up to a maximum of \$2,729,245 for a related series of violations. For violation occurring on or after December 28, 2023 and before December 30, 2024, the maximum penalty may not exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation

occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to propose a civil penalty assessment at this time.

Proposed Compliance Order

With respect to Items 1 and 2 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to St. Louis Pipeline Operating, LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Item

With respect to Item 3, we have reviewed 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. We advise you to promptly correct these items. Failure to do so may result in additional enforcement action.

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. § 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. § 552(b).

Following your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to

you and to issue a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 3-2025-029-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

David Barrett
Acting Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration

cc: Barry Croft, Facility Supervisor, St Louis Pipeline Operating LLC,
stlouispipelinegm@outlook.com
Edric Kidd, National Pipeline Manager, St Louis Pipeline Operating LLC,
Edric.kidd@panamericanpipelines.com

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to St. Louis Pipeline Operating, LLC, a Compliance Order incorporating the following remedial requirements to ensure the compliance of St. Louis Pipeline Operating, LLC, with the pipeline safety regulations:

- A. In regard to Item number 1 of the Notice pertaining to failure to maintain construction records, St. Louis Pipeline Operating, LLC must submit within **90** days of receipt of the Final Order to the Director, PHMSA Central Region, Office of Pipeline Safety, complete weld records, to include: the total number of girth welds, welds nondestructively tested, welds rejected and the disposition of each rejected weld; the amount, location, and depth of cover of each size of pipe installed; and the location of each valve and corrosion test station. For any of the aforementioned information that SPLCO does not have or cannot submit, SPLCO must provide a written plan within **90** days of receipt of the Final Order to the Director, PHMSA Central Region, Office of Pipeline Safety, to supply the information that would have been recorded in the required records.
- B. In regard to Item number 2 of the Notice pertaining to failure to ensure it did not operate at a pressure that exceeded the design pressure of any other component of the pipeline, St. Louis Pipeline Operating, LLC, must submit within **90** days of receipt of the Final Order to the Director, PHMSA Central Region, Office of Pipeline Safety, records to support the established maximum operating pressure (MOP) such as the internal design pressure of the pipe, the design pressure of any other component of the pipeline, and the test pressure of the pipe and any component. In addition, any other records that show the current maximum operating pressure. For any of the aforementioned information that SPLCO does not have or cannot submit, SPLCO must provide a written plan within **90** days of receipt of the Final Order to the Director, PHMSA Central Region, Office of Pipeline Safety, to demonstrate the pipeline components are commensurate with the MOP.
- C. It is requested (not mandated) that St. Louis Pipeline Operating, LLC, maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total the Director, PHMSA Central Region, Office of Pipeline Safety. 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.