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Houston, TX 77079

June 19, 2026

AJ McKean
Director, Central Region
Pipeline and Hazardous Materials Safety Administration
1100 Main Street, Suite 800
Kansas City, MO 64105

**Re: CPF No. 3-2026-011-NOPV Express Holdings (USA), LLC
Request for Informal Meeting, Reservation of Hearing Rights, Withdrawal of Violation 2,
and Reduction of Proposed Civil Penalty**

Dear Director McKean:

On behalf of Express Holdings (USA), LLC ("Express"), this letter is in response to PHMSA's Notice of Probable Violation (NOPV) and Proposed Civil Penalty dated May 11, 2026, in CPF No. 3-2026-011-NOPV, concerning the February 13, 2024, event at the Casper Terminal in Casper, Wyoming. Express appreciates PHMSA's review of the matter and the production of the case file materials requested by Express.

Express values PHMSA's oversight and recognizes the importance of regulatory engagement in advancing pipeline safety. Although the consequences of this event were limited—with no injury, environmental impact, off-site effect, or property damage—Express treated the matter seriously, promptly evaluated the facts, and implemented corrective and preventive improvements. Those actions reflect Express's continued commitment to safe, reliable, and environmentally responsible operations, robust compliance and safety programs, and continuous improvement.

Pursuant to 49 C.F.R. Part 190, Subpart B, and PHMSA's "Response Options for Pipeline Operators in Enforcement Proceedings," Express respectfully requests an informal meeting with the Central Region to discuss the allegations, the proposed civil penalty, and the potential for resolving this matter without a hearing. Express believes an informal conference would be productive and could materially narrow or resolve the issues in dispute. Express expressly reserves all rights available under the regulations, including the right to contest the allegations, and requests a hearing under 49 C.F.R. § 190.211 if the matter is not resolved informally.

Express notes that Violation 1 and Violation 2 arise out of the same set of facts. Express seeks withdrawal of Violation 2, or alternatively, that it be merged with Violation 1 for penalty purposes and eliminate the separate penalty for Violation 2 as well as a substantial reduction of the total proposed civil penalty for Violation 1, as laid out in detail below.

PHMSA Should Withdraw Violation 2

Express respectfully requests that PHMSA withdraw Violation 2 under 49 C.F.R. § 195.422(a), and asserts that substantial factors justify withdrawing Violation 2 or, at minimum, eliminating the associated penalty. Both the regulation and the NOPV state, in relevant part, that repairs must be made in a safe manner and “so as to prevent damage to persons or property.” This event resulted in no injury to any person and no damage to property. Express, through its operator and affiliated support functions, applied a planned repair process supported by layered safety controls appropriate to the work, the facility, and the potential hazards presented. That process incorporated job planning, risk assessment, operational controls, worksite safeguards, and ongoing monitoring intended to reduce the likelihood of an abnormal event and limit consequences if one occurred. Collectively, these layers of protection were designed to support safe execution of the repair activity and maintain control of the work environment. The absence of injury, crude oil release, environmental impact, or property damage is not presented merely as an outcome-based defense; it confirms that the layered controls used during the work functioned to limit consequences. Thus, the evidence demonstrates that Express maintained and repaired its system in a consistent manner with an outcome of safety.

Furthermore, the record supports the conclusion that the alleged § 195.422(a) violation is derivative of the same underlying procedural and execution issues already captured in the § 195.402 allegation. PHMSA’s Failure Investigation Report states that the event resulted from an insufficient vapor barrier next to hot work and identifies contributing factors including inappropriate isolation bag selection. The conduct described in Violation 2 is therefore not independent from the procedural deficiencies, equipment-selection issues, and execution deficiencies already alleged in Violation 1; it is one aspect of the same event sequence and the same asserted safety failure. Under these circumstances, separate violations and separate penalties for both items would overstate the distinctness of the conduct and effectively double count the same occurrence. This is consistent with PHMSA’s Pipeline Enforcement Procedures, Section 4.1.3.1, Example 3, which recognizes that where only a single act occurred, the fact that the failure may be characterized by two sources—the operator’s procedures and the regulation—does not necessarily support duplicative violation treatment.

Alternatively, PHMSA Should Reduce the Penalty in Violation 2 to \$0.00

In the alternative, if PHMSA does not withdraw the Violation 2 allegation under 49 C.F.R. § 195.422(a) in its entirety, Express requests that Violation 2 be treated as an alternative or overlapping characterization of the same operative conduct and not assessed as a separate civil

penalty item. Both alleged violations arise from the same single repair event, the same work activity, the same isolation setup, the same observations, the same flash fire, and the same asserted causal chain. The Violation Report ties Violation 1 to the alleged failure to follow the “Installing Vapor Plugs” procedure. The same Violation Report ties Violation 2 to the decision to continue welding after bag pressure dropped below the 20 psig threshold in the job plan which was developed based on the procedure. PHMSA then assigned both items the same start date, same end date, same one-day duration, same “causal factor in a reportable accident/incident” gravity basis, same culpability category, same good-faith determination, and the same statutory-maximum penalty amount. Those features demonstrate substantial factual and penalty overlap rather than two meaningfully distinct penalty events.

There is also a strong fairness basis to withdraw or merge Violation 2. The proposed civil penalty worksheet shows that PHMSA assigned each item 77 points and a base penalty of \$143,374, then applied a reportable- accident consequence multiplier of 2 to reach \$286,700 before statutory limits, after which each item was capped at the maximum \$266,015 per violation per day, for a total proposed penalty of \$532,030. Thus, the overlapping allegations are not merely producing incremental point additions; they are producing two separate maximum penalties arising from one short-duration maintenance event on one day. PHMSA's worksheet has significant factual overlap that warrants merged penalty treatment: both items rely on the same one-day event, the same reportable- accident consequence basis, the same *Gravity* score, and the same statutory cap. That penalty treatment demonstrates that the second item does not address a separate harm, separate duration, or separate compliance failure warranting an additional maximum penalty. Where the same occurrence drives both items to the statutory ceiling, the need to avoid duplicative penalty treatment is especially strong.

Even if PHMSA elects to maintain Violation 2, substantial mitigation of the proposed penalty is warranted for both violations. The event resulted in no fatalities, no injuries, no wildlife impact, no soil contamination, no water contamination, no off-site effects, no property damage, and no environmental remediation. The event was entirely contained on operator-controlled property. These are significant mitigating facts that distinguish this event from PHMSA reportable accidents involving injury, environmental damage, community impact, or off-site consequences. Therefore, if Violation 2 is not withdrawn, the penalty should be reduced to zero (\$0.00).

PHMSA Should Substantially Reduce the Penalty for Violation 1

PHMSA should also substantially reduce the penalty for Violation 1 because the worksheet score is disproportionate to the facts in the record and does not give adequate weight to the statutory assessment considerations in 49 C.F.R. § 190.225.

A *Gravity* score of 60 is disproportionate to the facts in the record. The event did not result in injury, death, crude oil release, environmental impact, off-site consequences, or property

damage. The event was promptly controlled by on-site fire watch and remained confined to operator-controlled property. On that record, the facts more closely align with a minimal actual safety impact, making a *Gravity* score of 1, reflecting that “pipeline safety was minimally affected,” appropriate and necessary to comply with 49 C.F.R. § 190.225 assessment considerations. The inconsistency of the current penalty calculation and *Gravity* component to the event is further compounded by doubling (2x) of the same basis of a reportable accident in the *Consequence Factor* portion of the worksheet. An appropriate total point basis would be 18, with a *Consequence Factor* of 1, resulting in a penalty of \$1,862 x 18 or \$33,516 for a single violation.

The record also shows prompt reporting and immediate operational response. After the flash fire, a small fire in the opening of the 10-inch drain line was extinguished by fire watch, no local emergency responder assistance was required, and Express notified the National Response Center on February 13, 2024, with a 48-hour update on February 15, 2024. These actions are inconsistent with indifference, concealment, or delay, and they support mitigation under the circumstances.

Express’s good-faith response began immediately after the event and continued through completion of corrective actions. Express reported the event, preserved and evaluated the facts, implemented additional return-to-service precautions, completed eight corrective and preventive actions by June 2024, and experienced no recurrence before PHMSA issued the NOPV over two years later. No similar event involving this work activity, vapor isolation setup, or alleged procedural issue has occurred since the February 2024 event. These facts strongly support mitigation under PHMSA’s civil penalty assessment factors.

Conclusion

Express does not minimize the seriousness of the event and responded appropriately; however, the absence of injury, environmental damage, off-site impact, or property damage underscores why withdrawing Violation 2 and a materially reduced penalty for Violation 1 would still serve the purposes of enforcement while remaining proportionate to the actual consequences.

PHMSA’s decision not to issue a Proposed Compliance Order is consistent with the conclusion that compulsory corrective-action relief was not necessary. Express promptly investigated the event, safely returned the affected facilities to service using additional precautions, completed its corrective and preventive actions well before issuance of the NOPV, and has had no similar recurrence. statutory penalty factors in 49 C.F.R. § 190.225—including the nature, circumstances, and gravity of the violation; Express’s good-faith efforts to achieve compliance; and other matters as justice may require—support its request.

For all of these reasons, Express respectfully requests that PHMSA:

- (1) schedule an informal meeting to discuss resolution of this matter;
- (2) withdraw Violation 2 under Section 195.422(a), or alternatively merge it with Violation 1 for penalty purposes and eliminate the separate penalty for Violation 2; and
- (3) substantially reduce the total proposed civil penalty for Violation 1 to \$33,516, to reflect the absence of injuries, absence of off-site or environmental impact, prompt reporting, prompt corrective action, lack of deliberate or egregious conduct, non-repeat status for the alleged violations themselves, and the overlap in the allegations and penalty treatment.

Express looks forward to meeting with the Central Region to discuss these issues and to explore an efficient and fair resolution. Please contact Jeff Cremin, Manager, US Liquid Pipeline Compliance, with any questions regarding this response or to coordinate scheduling of the requested informal meeting. Nothing in this letter should be construed as a waiver of any right, argument, defense, or objection, all of which are expressly reserved, including Express's right to request a hearing and contest the allegations and proposed penalty should the matter not be resolved informally. Should the matter not be resolved, Express has enclosed a Request for Hearing and a Preliminary Statement of Issues

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Ruffatto", with a stylized flourish at the end.

Kevin Ruffatto

US Liquid Pipelines VP Operation

Enbridge / on behalf of Express Holdings (USA), LLC

cc: Jeff Cremin, Manager, US Liquid Pipeline Compliance, Enbridge

Enclosure: Request for Informal Conference, Hearing, and Preliminary Statement of Issues

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION OFFICE
OF PIPELINE SAFETY**

In the Matter of	)	
	)	
Express Holdings (USA), LLC	)	CPF No. 3-2026-011-NOPV
	)	
Respondent.	)	
	)	

**REQUEST FOR INFORMAL CONFERENCE, HEARING, AND PRELIMINARY
STATEMENT OF ISSUES**

I. Request for Informal Conference

Pursuant to 49 USC § 60117(b)(1)(B)(i)-(ii), **Express Holdings (USA), LLC** (Express) respectfully requests an informal conference to discuss the allegations, and proposed civil penalty, in the above-referenced Notice of Probable Violation (NOPV). Express believes further discussion can resolve these allegations by settlement, without a hearing or additional proceedings.

II. Request for Hearing

If settlement discussions are not fruitful, pursuant to 49 CFR §§ 190.208(a)(4), 190.208(b)(4), and 190.211(b), Express respectfully requests an in-person hearing to discuss the alleged probable violation, and proposed civil penalty in the NOPV. If a hearing is held, Express will be represented by counsel at the hearing.

III. Preliminary Statement of Issues

Express respectfully contests the allegations, and proposed civil penalty, in the NOPV. At the hearing, Express intends to raise the following issues:

Item 1 – 49 C.F.R. § 195.402(a)

- A. Whether the allegation of probable violation is supported by the facts and the evidence, and whether it should be withdrawn.
- B. Whether PHMSA has met its burden of proof that a probable violation occurred, and whether it should be withdrawn.
- C. Whether the proposed civil penalty is appropriate or should be withdrawn or reduced.

Item 2 – 49 C.F.R. § 195.422(a)

- A. Whether the allegation of probable violation is supported by the facts and the evidence, and whether it should be withdrawn.
- B. Whether PHMSA has met its burden of proof that a probable violation occurred, and whether it should be withdrawn.
- C. Whether the proposed civil penalty is appropriate or should be withdrawn or reduced.

Express reserves the right to supplement this preliminary statement of issues based on further discussions with PHMSA regarding the allegations and any additional information that PHMSA provides regarding this matter.