



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Avenue SE
Washington DC 20590

MAR 07 2018

Mr. Harry N. Pefanis, President
Plains Pipeline, LP
333 Clay Street, Suite 1600
Houston, TX 77002

Re: CPF No. 4-2016-5015

Dear Mr. Pefanis:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation, assesses a reduced civil penalty of \$90,700, and specifies actions that need to be taken by Plains Pipeline, LP, 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, Southwest Region, this enforcement action will be closed. Service of the Final Order by certified mail is effective upon the date of mailing, as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Director, Southwest Region, Office of Pipeline Safety, PHMSA
Mr. Troy Valenzuela, VP, Environmental Health & Safety, Plains Pipeline, LP, 333
Clay Street, Suite 1600, Houston, TX 77002

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

¹ <https://www.plainsallamerican.com/what-we-do/transportation>; Pipeline Safety Violation Report (Violation Report), (Apr. 28, 2016) (on file with PHMSA), at 1.

§ 195.412 Inspection of rights-of-way and crossings under navigable waters.

(a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.

The Notice alleged that Respondent violated 49 C.F.R. § 195.412(a) by failing to inspect the surface conditions on or adjacent to its Red River Pipeline right-of-way (ROW). Specifically, the Notice alleged that Respondent performed ROW inspections primarily using aerial surveillance, but based on ROW conditions observed during the PHMSA field inspection at the inbound and outbound locations of the Tribbey pump station, Respondent had not maintained adequate surface conditions on the pipeline ROW to enable effective aerial surveillance. The Notice alleged that there was high overgrowth vegetation and large trees with canopies overhanging the ROW that obscured from observation by aerial surveillance the surface conditions adjacent to the pipeline ROW.

In its Response, Plains contested this alleged violation and argued that the ROW around Tribbey Station at the time of the 2014 PHMSA field audit was clear of tree canopy and did not obscure the surface conditions adjacent to Red River Pipeline from observation by aerial surveillance. It stated that a Plains district manager for this pipeline and station was present during the 2014 PHMSA field inspection and explained that a small grove of trees that appeared to be overhanging the pipeline southwest of the station did not actually overhang the pipeline ROW because the pipeline skirted to the west of the grove of trees. Plains then provided an aerial photograph of Tribbey Station dated March 9, 2014, about five months prior to the PHMSA field inspection.² Plains stated that the photograph “clearly shows: (1) red river pipeline alignment, (2) no tree canopy over hanging the pipeline, and (3) that the pipeline could be inspected by aerial surveillance.”³

Analysis

Section 195.412(a) requires each operator to inspect the surface conditions on or adjacent to each pipeline right-of-way at regular intervals. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way. The purpose of this regulation is to “ensure that operators regularly inspect the surface conditions of their pipeline rights-of-way, by appropriate means, in order to detect encroachments and various other threats to the integrity of their facilities.”⁴ If an operator cannot view surface conditions using aerial patrols, then flying is not a method that achieves compliance with the regulation.

In this case, the inspector observed that “[t]here was high overgrowth vegetation; large trees with canopies overhanging the ROW that obscure the surface conditions adjacent to the pipeline

² Response, Enclosure 2.

³ Response, at 1.

⁴ *In The Matter of Nustar Energy, LP*, CPF No. 3-2007-5002, Final Order, at 11 (issued Feb. 5, 2009).

ROW from observation by aerial surveillance.”⁵ Though Plains stated that the tree canopy did not overhang the pipeline ROW because the pipeline skirted to the west of the small grove of trees, the evidence does not support this statement.

Respondent used aerial patrols for this ROW as the sole method of inspection, but Respondent’s ROW in this location was covered in dense overgrowth in both directions, as shown in the photographs attached to the Violation Report.⁶ The coordinates of the photographs, as well as the location of the mainline valve shown indicates that the photos were taken directly adjacent to the ROW.⁷ Such overgrowth prevented Respondent from observing surface conditions and encroachments to its ROW.⁸ Therefore, Respondent did not inspect the surface conditions as required by the regulation.

While Respondent’s aerial photograph provides a helpful view of Tribbey Station and its ROWs, the photograph was taken five months before the inspection. The photograph submitted by Plains is an aerial photo taken from Google Maps and is not indicative of the conditions of the ROW at the time of the inspection.⁹ The photographs provided in the Violation Report were more current and clearly show that there was overgrowth on the ROW.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 195.412(a) by failing to inspect the surface conditions on or adjacent to its Red River Pipeline ROW.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 195.420(b), which states:

§ 195.420 Valve maintenance.

(a) ...

(b) Each operator shall, at intervals not exceeding 7 1/2 months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

The Notice alleged that Respondent violated 49 C.F.R. § 195.420(b) by failing to adequately inspect each mainline valve to determine that it was functioning properly. Specifically, the Notice alleged that valve-maintenance records for the Mayson to Ellis (Red River) pipeline indicated that the valve on the south side of Deep Fork River had not been adequately inspected to verify that it was functioning properly.¹⁰ Valve-inspection records indicated that the actuator for the valve had not had electricity from September 2011 to the time of the 2014 PHMSA field inspection. Electricity to the actuator allows the valve to be tested and operated remotely. Since

⁵ Violation Report, at 4.

⁶ Violation Report, at 43-44.

⁷ Violation Report, at 43-44.

⁸ *Nustar*, CPF No. 3-2007-5002, at 2.

⁹ Region Recommendation (Jan. 12, 2017) (on file with PHMSA), at 2.

¹⁰ The Notice referred to this as the 10-inch pipeline.

the actuator was not functioning, the valve needed to be tested manually, but test records show "Not applicable" for the manual operation of the valve.

In its Response, Plains contested this alleged violation on the ground that its employee had indeed manually operated the valve, even though the form was improperly completed and did not clearly indicate manual operation. Plains stated that immediately following the PHMSA field inspection, Plains interviewed the employee responsible for inspecting this valve and found that for the period in question, he had properly inspected the valve and operated it using the actuator hand wheel, which is a manual operation. The employee said that he was confused on how this unique situation should be reflected on the forms, and he thought checking "unsatisfactory" for actuator motor operation would indicate that (1) he had manually operated the valve using the actuator hand wheel, and (2) there also was an unsatisfactory condition with the actuator electrical connection, which he had described in another item on the form. Therefore, the employee confirmed he had manually operated this valve during each inspection for the period addressed in the Notice. To prevent future inspection-form errors for this unique situation, the employee received instruction on how to properly fill out the form prior to the next scheduled inspection, which was completed September 8, 2014.¹¹

Analysis

Section 195.420(b) requires each operator to regularly inspect each mainline valve to determine that it is functioning properly. In this case, Respondent's records that were provided to PHMSA at the time of the inspection did not show that the valve had been properly operated. By marking "NA" for manual operation, the record did not indicate that the valve had been inspected in compliance with the requirements of the regulations and Respondent's procedures. Plains provided an additional inspection record, but it was created *after* the OPS inspection had identified the violation. The employee's statement that he had inspected the valves manually is likewise not supported by evidence in the record.¹² Valve inspection records that Respondent had made contemporaneously were insufficient evidence to prove that such testing occurred.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 195.420(b) by failing to adequately inspect each mainline valve to determine that it was functioning properly.

Item 3: The Notice alleged that Respondent violated 49 C.F.R. § 195.505, which states:

§ 195.505 Qualification program.

Each operator shall have and follow a written qualification program.

The program shall include provisions to:

- (a) Identify covered tasks;
- (b) Ensure through evaluation that individuals performing covered tasks are qualified;
- (c) Allow individuals that are not qualified pursuant to this subpart to

¹¹ Plains provided the properly completed form for the September 8, 2014 inspection of the valve on the south side of the Deep Fork River 10-inch as Enclosure 3 to its Response.

¹² Operators must keep records of inspections under §195.404(c).

perform a covered task if directed and observed by an individual that is qualified;

(d) Evaluate an individual if the operator has reason to believe that the individual's performance of a covered task contributed to an accident as defined in Part 195;

(e) Evaluate an individual if the operator has reason to believe that the individual is no longer qualified to perform a covered task;

(f) Communicate changes that affect covered tasks to individuals performing those covered tasks; and

(g) Identify those covered tasks and the intervals at which evaluation of the individual's qualifications is needed.

(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; and

(i) After December 16, 2004, notify the Administrator or a state agency participating under 49 U.S.C. Chapter 601 if the operator significantly modifies the program after the Administrator or state agency has verified that it complies with this section.

The Notice alleged that Respondent violated 49 C.F.R. § 195.505 by failing to have and follow a written qualification program to ensure individuals performing covered tasks are qualified. Specifically, the Notice alleged that during its 2014 field inspection on the Red River Pipeline (north) section, OPS selected valve #15, MP: 156+00, located between Healdton and Sherman pump station, Texas. OPS requested a Plains field technician to perform the covered task #20 (Inspect Mainline Valves) to ensure that the individual performing covered task had the necessary skills and knowledge of the procedural steps described in the Plains Operations and Maintenance (O&M) Manual procedure, *Valve Maintenance, P-195.420 P-195.420*). OPS observed that the field personnel operated the valve without the coordination and consent of the control center, as required by Plains' written procedure. That procedure is specified in Item 9 of *P-195.420*, which states: "Note: On pipeline in service, the opening and closing of the valves shall be performed only with the coordination and consent of the control center."

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.505 by failing to have and follow a written qualification program to ensure individuals performing covered tasks are qualified.

Item 4: The Notice alleged that Respondent violated 49 C.F.R. § 195.571, which states:

§ 195.571 What criteria must I use to determine the adequacy of cathodic protection?

Cathodic protection required by this subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained in paragraphs 6.2 and 6.3 of NACE SP 0169

(incorporated by reference, *see* § 195.3).¹³

The Notice alleged that Respondent violated 49 C.F.R. § 195.571 by failing to ensure that cathodic protection (CP) at several points on the Red River Pipeline¹⁴ complied with one or more of the applicable criteria and other considerations for cathodic protection contained in paragraphs 6.2 and 6.3 of NACE SP 0169, for at least two sequential annual surveys. Specifically, the Notice alleged that Plains indicated it used the CP criterion of -850 mV with CP applied. NACE SP 0169 specifies that "Voltage drops other than those across the structure-to-electrolyte boundary must be considered for valid interpretation of this voltage measurement."¹⁵ The voltage measurement with consideration of IR drop is the IR free or "instant off" measurement that Plains made as part of the annual survey.¹⁶ The Notice alleged that Respondent's records showed at least 42 test stations that did not meet the specified criterion.

In its Response, Plains contested this alleged violation on the ground that it had indeed provided adequate CP at each test station listed. It stated that although the -850 mV instant-off criterion was not met for these test stations, OPS failed to evaluate whether the test stations met the second CP criterion allowed in NACE SP 0169-2007, which is incorporated by reference in 49 CFR § 195.571. This second CP criterion is a minimum negative polarization voltage (pipe-to-soil) shift of 100 mV (-100 mV criterion). Plains argued that "[T]he -100 mV criterion is determined by measuring the polarization decay, which is calculated by subtracting the native voltage potential measurement from the instant-off measurement."¹⁷

The company provided an excerpt from its O&M Manual that addressed the -100 mV criterion,¹⁸ as well as a table showing the 100 mV criterion measurements for each test station listed in the Notice from the 2013 and 2014 CP annual surveys.¹⁹ Plains alleged that the table shows that the -100 mV criterion for all of the at-issue test stations either was (1) met for both years, or (2) brought under adequate CP within the allowable timeframe. As shown in Enclosure 5 of the Response, the allowable timeframe to correct low pipe-to-soil potentials is prior to completion of the next annual CP survey.²⁰

¹³ 49 C.F.R. § 195.571 was updated on March 11, 2015. Because the inspection date was before this regulatory change, the previous version of the regulation is quoted here.

¹⁴ The Notice and Violation Report mistakenly indicated that this alleged occurred on the Buffalo Pipeline system, rather than the Red River Pipeline. Plains noted the mistake in its Response and provided information relevant to the Red River Pipeline. *See* Response, at 3.

¹⁵ National Association of Corrosion Engineers (NACE), Standard Practice, *Control of External Corrosion on Underground or Submerged Metallic Piping*, paragraph 6.2.2.1.1 (2007).

¹⁶ The term "IR drop" refers to the difference between the voltage at the top of the pipe and the voltage at the surface of the earth caused by the electrical resistance of the soil in which the pipeline is buried.

¹⁷ Response, at 3.

¹⁸ Response, Enclosure 5.

¹⁹ Response, Enclosure 6.

²⁰ Response, Enclosure 5.

Analysis

Section 195.571 requires pipeline operators to ensure that cathodic protection complies with one or more of the applicable criteria and other considerations for cathodic protection contained in NACE SP 0169 (incorporated by reference, *see* § 195.3). One of the criteria described in paragraph 6.2 of NACE SP 0169 is as follows:

A negative (cathodic) potential of at least 850 mV with the CP applied
Voltage drops other than those across the structure-to-electrolyte boundary
must be considered for valid interpretation of this voltage measurement.

This is commonly known as the -850 mV “on” criterion. Under this criterion, operators must consider the voltage (IR) drop to accurately determine if cathodic protection meets the standard. If IR drop is not properly considered, cathodic protection may appear to meet the -850 mV criterion when, in fact, it does not. One method of considering IR drop is to measure or calculate the drop by interrupting the current and taking an “instant-off” reading.²¹

Another criterion described in paragraph 6.2 of NACE SP 0169 is as follows:

A minimum of 100 mV of cathodic polarization between the structure
surface and a stable reference electrode contacting the electrolyte.

This is commonly known as the -100 mV criterion.

The fact that Respondent did not meet the -850 mV criterion is not in dispute. Having reviewed the record, I also find that Respondent failed to meet the -100 mV criterion. NACE 0169-2007, Section 6.2.2.1.3 describes this criterion as “[a] minimum of 100mV of cathodic polarization between the structure surface and a stable reference electrode contacting the electrolyte. The formation or decay of polarization can be measured to satisfy this criterion.” In order to meet the -100mV criterion, there must be at least 100 mV potential decay from the “Off Cycle” potential to the “Depolarized” potential. “Native” potential volts cannot be used when using the -100mV criteria for polarization readings.

The table of cathodic protection readings provided by Respondent in Enclosure 6 purports to show that Respondent met the 100mV criterion, however, it only shows the difference between the “Native (volts)” column and the “2013 or 2014 Instant Off” columns. For the “Native (volts)” column to truly show a “native” reading or “depolarized” reading, there would need to be readings for each year’s on-off survey. The table does not contain information on the “Depolarized” potential as required by NACE 0169-2007, Section 6.2, for each on-off survey conducted in 2013, 2014, and 2015. It also gives no indication about when or how the native voltages were measured. Native potential values must be obtained when the pipeline is first constructed and before activation of cathodic protection. These values would not be used in establishing compliance with the 100 mV polarization criteria. As required by Plains’ own procedure, all sources of current, including those from foreign pipelines, must be shut off to

²¹ *Panhandle Energy*, CPF No. 3-2010-1006M, Item 19, 2012 WL 7177132 (Dec. 31, 2012).

obtain depolarized potential measurements. However, there was no evidence submitted by Plains to show that such a procedure was followed.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 195.571 by failing to ensure that cathodic protection at several points on the Red River Pipeline complied with one or more of the applicable criteria and other considerations for cathodic protection contained in paragraphs 6.2 and 6.3 of NACE SP 0169, for at least two sequential annual surveys.

Item 5: The Notice alleged that Respondent violated 49 C.F.R. § 195.573(c), which states:

§ 195.573 What must I do to monitor external corrosion control?

(a)...

(c) *Rectifiers and other devices.* You must electrically check for proper performance each device in the first column at the frequency stated in the second column.

Device	Check frequency
Rectifier.....	At least six times each calendar year, but with intervals not exceeding 2 1/2 months.
Reverse current switch	
Diode	
Interference bond whose failure would jeopardize structural protection	
Other interference bond	At least once each calendar year, but with intervals not exceeding 15 months.

The Notice alleged that Respondent violated 49 C.F.R. § 195.573(c) by failing to check rectifiers at least six times each calendar year, but with intervals not exceeding 2½ months, for the Laverne to Stockholm facility. Specifically, the Notice alleged that rectifier-inspection records indicated that Plains checked two rectifiers, BU-012 and BU-013, only five times in 2013.

In its Response, Plains contested this alleged violation because it claimed that rectifiers BU-012 and BU-013 were inspected as required during 2013. Plains provided inspection records purporting to show that Plains inspected rectifiers BU-012 and BU-013 six times with intervals not exceeding 2½ months.²²

Analysis

Section 195.573(c) requires pipeline operators to electrically check each rectifier for proper performance at least six times each calendar year with intervals not exceeding 2½ months. The

²² Response, Enclosure 7.

evidence in this case includes two records showing Respondent's rectifier inspection dates. One was provided to the OPS inspector at the time of the PHMSA inspection on August 5, 2014 (2014 record);²³ the other was provided in the Response and dated May 4, 2016 (2016 record).²⁴ The 2014 record shows only five inspections in 2013 for each of the two rectifiers at issue, while the 2016 record shows six inspections for each rectifier. Respondent provided no explanation as to why the data in the two records did not match or why the sixth inspection dates were missing from the 2014 record.

In weighing the evidence, I am persuaded by the 2014 record, which was provided contemporaneously with the 2014 PHMSA field inspection, and is a record of Respondent's rectifier stations and inspection dates. Respondent has not explained why the 2016 record was unavailable at the time of the PHMSA inspection. For these reasons, I find the 2014 record more persuasive as an accurate record of the inspections of the rectifier stations.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 195.573(c) by failing to check rectifiers at least six times each calendar year, but with intervals not exceeding 2½ months, for the Laverne to Stockholm facility.

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.²⁵ In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 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; and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the pipeline safety regulations. 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 \$95,000 for the violation in Item 4 cited above.

Item 4: The Notice proposed a civil penalty of \$95,000 for Respondent's violation of 49 C.F.R. § 195.571, for failing to meet the specified cathodic criterion for several points on the Red River Pipeline system for at least two sequential annual surveys. Plains requested that the penalty for Item 4 be withdrawn because it claimed that it did not violate § 195.571. Since I already found

²³ Violation Report, at 82.

²⁴ Response, Enclosure 7.

²⁵ These amounts are adjusted annually for inflation. *See, e.g.*, Pipeline Safety: Inflation Adjustment of Maximum Civil Penalties, 82 Fed. Reg. 19325 (April 27, 2017).

Respondent violated the regulation as alleged, this argument is rejected.

With regard to nature, circumstance, and gravity, I find that the civil penalty assessment factors applied in this case support the proposed civil penalty. As operator of the pipeline facility, Respondent is fully responsible for this violation of the pipeline safety regulations.

One of the factors upon which the proposed penalty is based is an operator's history of prior violations. In this case, although Plains did not raise the issue in its Response, I have reviewed all of the penalty criteria, including the company's enforcement history, which recognizes adjudications of violations that have occurred within five years preceding the date of the Notice.²⁶ I would note that in this case, the Violation Report contains a prior offense that predates the timeframe for counting prior violations. The proposed penalty inadvertently included consideration of a finding of violation made more than five years before the date of the Notice, or April 28, 2016. Based on this error, I find justification for reducing the proposed civil penalty. Accordingly, I assess Respondent a reduced civil penalty of **\$90,700** for the violation of 49 C.F.R. § 195.571.

In summary, having reviewed the record and considered the assessment criteria for each of the Items cited above, I assess Respondent a total civil penalty of **\$90,700**.

Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 C.F.R. § 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 \$90,700 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 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, 2, 3, 4, and 5 in the Notice for violations of 49 C.F.R. Part 195 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. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its

²⁶ See *Gulf South Pipeline Co.*, CPF No. 2-2009-1001, Final Order, at 3, 2011 WL 4351589, at *2 (issued July 29, 2011); *Enbridge Energy, L.P.*, CPF No. 3-2012-5018, Final Order, at 4, 2013 WL 5883399, at *3 (issued Aug. 22, 2013); *Colonial Pipeline Co.*, CPF No. 4-2011-5001, Final Order, at 3, 2011 WL 6008833, at *2 (Sept. 23, 2011).

operations:

1. With respect to the violation of § 195.412(a) (**Item 1**), Respondent must clear all vegetation and tree canopies in the ROW inbound and outbound of the Tribbey pump station and provide PHMSA documentation that the work has been completed.
2. With respect to the violation of § 195.420(b) (**Item 2**), Respondent must operate the valve on the south side of Deep Fork River according to its inspection procedures, document the inspection in its valve maintenance records, and submit to PHMSA the records showing that the inspection has been completed.
3. With respect to the violation of § 195.505 (**Item 3**), Respondent must re-train personnel involved in inspecting main line valves on Plains' procedures and verify, through supervisory observation and operator-qualification evaluations, that they can properly perform the covered task. Plains must also submit to PHMSA documentation showing that the affected personnel have been re-trained and were able to properly perform the covered task according to Plains' procedures.
4. With respect to the violation of § 195.571 (**Item 4**), Respondent must remedy all cathodic protection deficiencies and provide PHMSA with documentation showing that the structure-to-soil measurements meet the specified criteria in the regulation with consideration of IR drop.
5. With respect to the violation of § 195.573(c) (**Item 5**), Respondent must provide the most recent records showing that the rectifiers were checked and found to be functioning properly according to the requirements of § 195.573.

Plains shall complete all items and submit documentation to the Director demonstrating the completion within 30 days of receiving the final order.

It is requested (not mandated) that Plains Pipeline L.P. maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. 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

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.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), 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.

Under 49 C.F.R. § 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, no later than 20 days after receipt of service of this Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 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 C.F.R. § 190.5.



Alan K. Mayberry
Associate Administrator
for Pipeline Safety

MAR 07 2018

Date Issued