



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

8701 S. Gessner, Suite 630
Houston TX 77074

NOTICE OF AMENDMENT

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

March 25, 2021

Mark Cunningham
Senior Vice President of Operations
Holly Energy Partners Operating, L.P.
2828 North Harwood, Suite 1300
Dallas, Texas 75201

CPF 4-2021-024-NOA

Dear Mr. Cunningham:

From March 9, 2020 through September 25, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Holly Energy Partners-Operating, L.P.'s (HEP) operations and maintenance (O&M) procedures for its facilities in Utah, Texas, New Mexico, and Oklahoma via video teleconference.

On the basis of the inspection, PHMSA has identified an apparent inadequacy found within HEP's plans or procedures, as described below:

1. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a)...

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations.

(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

§ 195.583 What must I do to monitor atmospheric corrosion control?

(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months.
Offshore	At least once each calendar year, but with intervals not exceeding 15 months.

- (b) During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.
- (c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by §195.581.

HEP's written O&M procedure, *HEP O&M-195.583 Monitoring Atmospheric Corrosion* of its *HEP-A-195.000 Pipeline Safety Manual* (last reviewed by HEP on 5/22/2020), is inadequate because it does not provide guidance for how to monitor for atmospheric corrosion as required by § 195.583. The *HEP O&M-195.583 Monitoring Atmospheric Corrosion* states, "The HEP Atmospheric Inspection Process shall be followed. (Refer to the atmospheric Inspection process)." During the PHMSA inspection, HEP personnel informed PHMSA representatives that the procedure was inaccurate and included a typographical error. Specifically, HEP stated that it does not have a document called "atmospheric Inspection process."

Additionally, HEP's "Atmospheric Corrosion Form" in the O&M procedure contains a legend section that is inadequate because it does not provide threshold guidance for the "good," "fair," and "poor" categories when recording an atmospheric corrosion inspection.

HEP must amend its O&M procedures for monitoring atmospheric corrosion to include a process for conducting atmospheric inspections and provide guidelines in the "good," "fair," and "poor" categories to include clear thresholds for determining the grading of a pipeline coating condition.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being 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 the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under § 190.211. 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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within **30** days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Holly Energy Partners-Operating, L.P. maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Mary L. McDaniel, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2021-024-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Mary L. McDaniel P.E.
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*