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February 17, 2022

Mary L. McDaniel, P.E.
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration
mary.mcdaniel@dot.gov

Re: CPF 4-2022-009-NOPV
Marysville Storage Field

Dear Ms. McDaniel:

On January 21, 2022, DCP received the above-referenced Notice of Probable Violation (NOPV), Proposed Civil Penalty (PCP) and Proposed Compliance Order (PCO), arising from an inspection of the Marysville Storage Field conducted from February 22, 2021 to September 24, 2021, by the Pipeline and Hazardous Materials Safety Administration (PHMSA). The NOPV identified five items of probable violation, and directed DCP to respond with any comments within thirty (30) days of receipt.

DCP acknowledges the probable violations described in the NOPV, and provides the supplemental responses to each item set forth in Attachment 1 to this correspondence. As also stated in the Attachment, DCP respectfully requests additional time to complete the corrective action for Item 3, for the reasons set forth in the Attachment.

Please let me know if you would like to discuss this matter further, or have any questions.

Sincerely yours,
DCP MIDSTREAM

DocuSigned by:

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Alison E. Barry

cc: John Pontious
Mohammed Mahmood

Attachments:

Attachment 1 - DCP's Responses to January 21, 2022 NOPV Items
Attachment 2 - Standard Operating Procedure CORR-5020 Section 1.1.7.1

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1. § 195.404 Maps and records.

(a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information:

(1) Location and identification of the following pipeline facilities:

(i) . . .

(ii) Pump stations.

DCP failed to maintain current records of its jurisdictional pipeline systems in accordance with § 195.404(a)(1)(ii). During the September 20 through 24, 2021 field inspection, DCP personnel were not able to determine which pumps at the Marysville Storage Field were under federal jurisdiction. PHMSA reviewed flow diagrams of the facility and found that there are a total of four pumps, including those that are part of the expanded ethane storage system, that fall under federal jurisdiction.

However, operations and maintenance records presented during the inspection do not indicate DCP has incorporated the ethane storage system units and associated appurtenances into its maintenance program as required under § 195.404.

DCP Response:

DCP has reviewed applicable PHMSA guidance and interpretations and acknowledges that the ethane regeneration system falls under Part 195. DCP had previously concluded that the Marysville ethane regeneration system was exempt from Part 195 because it was comprised of in-plant piping and components that were not involved in the transportation of gas. The pumps in question are used to withdraw ethane from the storage caverns for treatment to remove excess water and then to reinject the “dry” ethane into the same storage caverns. Based on DCP’s new understanding, DCP will revise its operations and maintenance program to include this system in accordance with § 195.404.

2. § 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.

DCP failed to inspect the surface conditions on or adjacent to its pipeline rights-of-way while performing ground patrols at intervals not exceeding three weeks, but at least 26 times each calendar year in accordance with § 195.412(a). DCP’s written Liquid Pipeline O&M Manual, Procedure Number F-18, Inspection of: Right of Way, Crossings and Under Navigable Water, Procedure 1 - Onshore Inspections (Date Revised 10/28/2020), requires that onshore inspections be performed at intervals not exceeding three weeks (21 days), but at least 26 times each calendar year.

During the September 20 through 24, 2021 field inspection, DCP’s Plant Supervisor stated that

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daily shift patrols and weekly patrols were performed at the Marysville Storage Field. However, DCP could not reference any procedures that detailed this requirement. PHMSA reviewed patrol records for calendar years 2019, 2020, and 2021 and found 15 inspections that exceeded the 3-week (21-day) interval during the three calendar years reviewed. In addition, PHMSA found that patrols were not performed 26 times per year for calendar years for 2019 and 2020. Patrol records show a total of 29 patrols from June 30, 2019, to September 24, 2021.

DCP Response:

Upon review, DCP has determined that daily and weekly right-of-way patrols are not practicable at the Marysville Storage Field nor are they required by DCP's standard operating procedures, as described in the Liquid Pipeline O&M Manual, Procedure F-18. DCP will follow Procedure F-18 for inspection of rights-of-way, which requires that onshore inspections be performed at intervals not exceeding three weeks (21 days), but at least 26 times each calendar year. DCP will use a scheduling application to ensure timely completion of the patrols.

The POC directed DCP to update its procedures to reflect the daily shift and weekly right-of-way patrols mentioned by DCP personnel during the inspection, but DCP does not think that a new procedure is necessary if DCP implements the existing procedure set forth in the Liquid O&M Plan at F-18. PHMSA has already reviewed this procedure during the inspection, as described above. Therefore, DCP requests that the Final Compliance Order reflect DCP's decision to follow the right-of-way inspection procedure already included in its Liquid O&M Plan.

3. § 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.**

DCP failed to conduct inspections for each mainline valve to determine that it is functioning properly at intervals not exceeding 7 ½ months but at least twice each calendar year in accordance with § 195.420(b). DCP's written Liquid Pipeline O&M Manual, Procedure Number F-19, Valve Inspection and Maintenance, Procedure 1 - General (Date Revised 11/26/2019), requires that "each identified mainline valve shall be inspected at intervals not exceeding 7 ½ months, but at least twice each calendar year."

PHMSA reviewed mainline valve inspections for DCP's Marysville Storage Field and found 218 inspections that exceeded the required 7 ½-month interval during calendar years 2018, 2019, 2020, and 2021. PHMSA also discovered that inspections were not performed twice each calendar year for 231 inspections in calendar years 2019 and 2020 in violation of DCP's written procedures and § 195.420(b).

During the review of the mainline valve inspections, PHMSA inspectors found that the valve inspection records appeared to be inaccurate in that the DOT valves were listed on both DOT Liquid Valve Inspection Forms and Non-DOT Liquid Valve Inspection Forms, and DCP personnel were not confident in the accuracy of the list of DOT valves provided during the

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inspection.

DCP Response:

Although the finding is associated with mainline valves, the Proposed Corrective Action directs DCP to review the jurisdictional status of other components, including pumps. As noted in DCP's response to Item 1, above, DCP's previous jurisdictional determinations may need to be revisited as to certain components of the Marysville Storage Field. Therefore, DCP will conduct an analysis of the valves, pumps and other components of the Marysville Facility to determine which components fall under the pipeline safety regulations at 49 CFR Part 195. Based on the results of this analysis, DCP will revise its facility procedures and records as needed. DCP expects that this review will require DCP to engage outside experts and will take longer than the 30 days described in the Proposed Compliance Order. DCP hereby requests that the Final Compliance Order allow DCP 120 days from the receipt of such Final Compliance Order to submit the results of the analysis and any supporting documentation.

4. § 195.452 Pipeline integrity management in high consequence areas.**(a) . . .****(i) *What preventive and mitigative measures must an operator take to protect the high consequence area?*****(1) . . .**

(4) *Emergency Flow Restricting Devices (EFRD).* If an operator determines that an EFRD is needed on a pipeline segment to protect a high consequence area in the event of a hazardous liquid pipeline release, an operator must install the EFRD. In making this determination, an operator must, at least, consider the following factors—the swiftness of leak detection and pipeline shutdown capabilities, the type of commodity carried, the rate of potential leakage, the volume that can be released, topography or pipeline profile, the potential for ignition, proximity to power sources, location of nearest response personnel, specific terrain between the pipeline segment and the high consequence area, and benefits expected by reducing the spill size.

DCP failed to conduct an EFRD analysis to consider all of the factors provided in § 195.452(i)(4) to determine what preventive and mitigative measures must be taken to protect its pipeline in high consequence areas. DCP's written *Integrity Manual, Integrity Procedures, IP-008 Preventative and Mitigative Measures, P&MMs Related to Consequence* (Version 5.1, September 2019), requires an EFRD analysis be conducted "to improve knowledge or understanding of consequence" as a preventative and mitigative measure related to consequence.

PHMSA reviewed DCP's Pipeline Integrity Form 58, *Emergency Flow Restricting Device (EFRD) Evaluation for Marysville Segment* (final review dated 12/20/2016). DCP performed the EFRD analysis on December 7, 2016. In the evaluation's summary, DCP determined that "[c]urrent operating procedures, daily shift and weekly patrols, and control capabilities provide a significant level of risk reduction that meets DOT requirements." Daily shift and weekly patrols performed by operations personnel at the Marysville Storage Field was one of the factors considered in the decision whether to install EFRDs at the facility. However, as noted above, PHMSA's review of patrol records for calendar years 2019, 2020, and 2021 found that operations personnel were not performing daily shift or weekly patrols of the facility.

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DCP Response:

DCP will prepare a new EFRD Study that considers the factors identified in § 195.452(i)(4), in accordance with DCP's Liquid Integrity Manual as set forth in *IP-008 Preventative and Mitigative Measures, P&MMs Related to Consequence*. In particular, the EFRD will consider the frequency of right of way inspections required by Procedure F-18 in the Liquid O&M Plan, as described in the response to Item 2. DCP will complete the EFRD study by August 1, 2022, as required by PHMSA.

5. § 195.583 What must I do to monitor atmospheric corrosion control?**(a) . . .****(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.**

DCP failed to monitor its pipelines for atmospheric corrosion by giving particular attention to pipe at pipe supports. DCP's written *Standard Operator Procedure, Procedure Number: CORR-5020, Atmospheric Pipe Inspection, Procedure 1.1.7 Concealed areas under tie-down straps or supports* (Date: 3/18/2021), requires: "If inspections under tie-down straps or other concealed surfaces show visual evidence of corrosion, additional steps shall be taken to inspect under the surface."

PHMSA reviewed atmospheric corrosion inspection records for calendar years 2016 and 2019 and found that inspections were not performed for pipe at pipe supports. During the field inspection, there were several pipes in the meter building that presented coating damage and evidence of corrosion. Records reviewed did not show that any additional steps were taken to inspect under the surfaces of those pipe in accordance with DCP's procedure and § 195.583(b).

DCP Response:

DCP will take the following action:

- An atmospheric inspection will be conducted in calendar year 2022 on all DOT piping within the meter building. Particular attention will be paid to piping at pipe supports.
- DCP Midstream will follow the decision tree in its Standard Operating Procedure CORR-5020 Section 1.1.7.1 (Attachment 2) to determine the correct response to any visual observation of staining or active corrosion on exposed pipe surfaces at pipe supports that would indicate possible corrosion under the pipe supports.
- Any inspections under pipe supports and necessary repairs will be completed in calendar year 2022.