

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL

March 6, 2023

Michael Jennings
President, Holly Energy Partners
Holly Energy Partners – Operating, L.P.
2828 N. Harwood Street
Suite 1300
Dallas Texas 75201

CPF 4-2023-040-NOA

Dear Mr. Jennings:

From February 28 to December 7, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Holly Energy Partners – Operating, L.P.'s (Holly) written operations and maintenance procedures in Dallas, Texas.

As a result of the inspection, PHMSA has identified apparent inadequacies found within Holly's procedures. The item inspected and inadequacies are 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:

(1)

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

§ 195.414 Inspections of pipelines in areas affected by extreme weather and natural disasters.

(a)

(d) Remedial action. An operator must take prompt and

appropriate remedial action to ensure the safe operation of a pipeline based on the information obtained as a result of performing the inspection required under paragraph (a) of this section. Such actions might include, but are not limited to:

- (1) Reducing the operating pressure or shutting down the pipeline;**
- (2) Modifying, repairing, or replacing any damaged pipeline facilities;**
- (3) Preventing, mitigating, or eliminating any unsafe conditions in the pipeline right-of-way;**
- (4) Performing additional patrols, surveys, tests, or inspections;**
- (5) Implementing emergency response activities with Federal, State, or local personnel; and**
- (6) Notifying affected communities of the steps that can be taken to ensure public safety.**

Holly's written procedures for conducting operations, maintenance, and emergency preparedness and response activities were inadequate to assure safe operation of a pipeline facility in accordance with § 195.402(c)(3). Specifically, Holly's procedure, *Operations and Maintenance Procedure, HEP-A-195.000 Pipeline Safety Manual, Section 195.414, dated 1/1/2022 (O&M Procedure)*, failed to include the remedial actions it must take following an extreme weather event in accordance with § 195.414(d).

During the inspection, PHMSA reviewed the portions of Holly's O&M Procedure pertaining to extreme weather events and natural disasters. The procedure paraphrases the regulations but does not detail the necessary steps that must be taken following specific extreme weather events and does not clearly describe the process employees must follow when referencing supporting procedures. The procedure references the *Holly Integrity Management Program Manual, dated 5/12/2021, Appendix E.9* for earthquakes, but does not reference the *Natural Events Response Procedure, dated 9/23/2020*, which addresses flooding, wildfires, and earthquakes.

Holly's O&M Procedures must be amended to include specific guidance for responding to different extreme weather events and natural disasters, including specific criteria to determine what remedial actions must be taken following extreme weather events to ensure the safe operation of its pipeline systems. Holly's O&M Procedures regarding extreme weather events and natural disasters must be amended to accurately reference each separate procedure and provide a clear process for employees when referencing supporting procedures. Appendix E-9 is incorrectly titled and is not marked as an appendix of the IMP.

Therefore, Holly's written procedures for conducting operations, maintenance, and emergency preparedness and response activities were inadequate to assure safe operation of a pipeline facility in accordance with § 195.402(c)(3). Holly must revise its procedures as specified above.

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 60 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 maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Bryan Lethcoe, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2023-040-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Bryan Lethcoe
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings