Targa Downstream LLC
811 Louisiana, Suite 2100
Houston, TX 77002

June 2, 2023

Mr. Bryan Jeffery Lethcoe
Director Southwest Region
Pipeline and Hazardous Materials Safety Administration
8701 S. Gessner, Suite 630
Houston TX 77074

CPF 4-2023-044-NOPV

Dear Mr. Lethcoe:

Targa has reviewed the referenced NOPV and is submitting this response in accordance with the proposed compliance order. Targa is revising the identified procedures and will provide them before the due dates according to the Final Order.

<u>Item #1</u>

§ 195.402 Procedural manual for operations, maintenance, and emergencies.
(a) *General.* Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.
(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) . . . .
(13) Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.

Targa failed to follow its manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies in accordance with § 195.402(a) and Targa failed to include the procedures required by § 195.402(c)(13). Specifically, Targa failed to conduct periodic reviews of work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and take corrective action where deficiencies were found in accordance with § 195.402(c)(13).

During the inspection, PHMSA requested records associated with periodic reviews of the work done by operator personnel for the calendar year 2020, 2021 and 2022. Targa failed to provide records of any periodic reviews.

Further, Targa's Hazardous Liquid OM&E – Operations & Maintenance Manual (Aug. 13, 2010) failed to include an adequate procedure for periodically reviewing the work done by personnel to determine the effectiveness of procedures in accordance with § 195.402(c)(13). This procedure failed to include details on how the work done by operator personnel is reviewed to determine effectiveness of procedures, and how the results of the reviews is documented.

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Therefore, Targa failed to follow its manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies in accordance with § 195.402(a) & (c)(13).

Targa's response:

In response to Item #1, Targa has an existing procedure within the Liquid O&M manual related to the requirements of 195.402(c)(13). This procedure and the entire Liquid O&M manual were uploaded to a SharePoint site and made available to PHMSA's inspection team on March 18, 2022. Therefore, Targa respectfully disagrees with PHMSA's comment stating, "Targa failed to include the procedures required by 195.402(c)(13)." Targa concedes the records necessary to demonstrate compliance were not available, as they historically have been associated with personnel performance records, which are subject to the company's employee privacy requirements. Going forward, Targa will maintain the periodic effectiveness review of procedure records in a location that is accessible for regulatory audits.

Targa has taken the necessary measures to amend the *Effectiveness of Procedures* section of the Liquid O&M manual to provide adequate procedures for periodically reviewing the work done by personnel. This includes clearly defining roles and responsibilities, describing the process to address requested changes to procedures used in normal operation and maintenance, and including provisions for any subsequent training or notifications.

Targa will provide the revised procedure within 30 days of receipt of the Final Order.

Item #2

§ 195.452 Pipeline integrity management in high consequence areas.

(a) . . . .
(j) ***What is a continual process of evaluation and assessment to maintain a pipeline's integrity?***
(1) ***General*****. After completing the baseline integrity assessment, an operator must continue to assess the line pipe at specified intervals and periodically evaluate the integrity of each pipeline segment that could affect a high consequence area.**

Targa failed to periodically evaluate the integrity of each pipeline segment that could affect a high consequence area (HCA) in accordance with § 195.452(j)(1) and Targa failed to have and follow procedures implementing § 195.452(j)(1) in accordance with § 195.402(c)(3). Specifically, Targa failed to conduct a periodic evaluation for the Davis pump station in Murray County, OK and failed to provide a process in its integrity management plan to periodically evaluate the integrity of each pipeline segment that could affect an HCA.

During the inspection, Targa failed to provide records of a periodic evaluation for the Davis pump station in Murray County, OK. Targa provided a spreadsheet for the Akoma to Velma segment but it failed to address specific risk factors and analysis for this facility. The record failed to demonstrate that a periodic evaluation was performed to address the risk associated with the Davis pump facility, which is in an HCA.

Targa's Integrity Management Plan for Liquids Transmission Pipelines Section 7.1 (Apr. 1, 2020) failed to include provisions for periodic evaluations of each pipeline segment that could affect an HCA. Rather,

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this section only included the assessment process for line pipe at specified intervals. The procedure failed to provide details on how the periodic evaluation would be conducted for pump station facility.

Therefore, Targa failed to periodically evaluate the integrity of each pipeline segment that could affect a high consequence area (HCA) in accordance with § 195.452(j)(1) and Targa failed to have and follow procedures implementing § 195.452(j)(1) in accordance with § 195.402(c)(3).

Targa's Response:

In response to Item #2, Targa respectfully disagrees with PHMSA's comments stating, "*Targa failed to provide records of a periodic evaluation for the Davis pump station*", since records were provided for the pipeline segment affecting the HCA which includes facilities within that segment. Targa provided records of the annual risk assessment which considers all threats including preventative and mitigative measures for the Arkoma to Velma pipeline segment, which includes the Davis pump station. These records were provided via a SharePoint portal on June 13, 2022.

The Liquid Integrity Management Plan states that facilities are included within the overall pipeline evaluation as Targa views the threats as common to the pipeline segment. Targa understands PHMSA would prefer pipeline and facility integrity documents to be separate for clarity of the evaluation process. Targa is revising its Liquids Integrity Management plan to separate the process of evaluating pipeline and facility based on the relevant threat factors and is adapting the risk assessment documentation to capture separately. Targa will provide the revised process within 30 days of receipt of the Final Order.

Targa will provide the separate evaluation of the Davis pump station within 60-days of receipt of the final order.

If you have any questions, please contact me at 713-584-1632.

Regards,

Gregg Johnson
Director of Pipeline Compliance
Targa Resources Corp

cc: Bill Grantham, VP Operations
Clark White, Executive VP Operations
Julie Pabon, Senior Counsel, Targa Resources