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

1200 New Jersey Avenue, SE
Washington, DC 20590

October 15, 2025

**VIA ELECTRONIC MAIL TO: pierce.norton@oneok.com**

Pierce Norton
President and Chief Executive Officer
ONEOK NGL Pipeline, LLC
100 West Fifth Street
Tulsa, Oklahoma 74103

**Re: CPF No. 4-2024-025-NOPV**

Dear Mr. Norton:

Enclosed please find the Final Order issued in the above-referenced case. It withdraws one of the allegations of violation, makes other findings of violation, assesses a civil penalty of $31,400, and specifies actions that need to be taken by ONEOK NGL Pipeline, LLC 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 e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

LINDA GAIL DAUGHERTY
Digitally signed by LINDA GAIL DAUGHERTY
Date: 2025.10.14 16:44:17 -04'00'

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosure

cc: Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety, PHMSA
Ryan Mccoy, Regulatory Compliance Manager, ONEOK NGL Pipeline, LLC, ryan.mccoy@oneok.com

CONFIRMATION OF RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION**
**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION**
**OFFICE OF PIPELINE SAFETY**
**WASHINGTON, D.C. 20590**

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| **In the Matter of** | ) | |
| **ONEOK NGL Pipeline, LLC,** | ) | **CPF No. 4-2024-025-NOPV** |
| **Respondent.** | ) | |

## FINAL ORDER

From March 20 through October 26, 2023, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of ONEOK NGL Pipeline, LLC's (ONEOK or Respondent) natural gas liquid (NGL) pipeline facilities in Kansas, Oklahoma, and Texas.

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated August 19, 2024, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). In accordance with 49 CFR § 190.207, the Notice proposed finding that ONEOK had committed three violations of 49 CFR Part 195, proposed assessing a civil penalty of $33,800 for the alleged violations, and proposed ordering Respondent to take certain measures to correct the alleged violations. The Notice also included one additional warning item pursuant to 49 CFR § 190.205, which warned Respondent to correct the probable violation or face possible future enforcement action.

ONEOK responded to the Notice by letter dated September 19, 2024 (Response). ONEOK contested several of the allegations and requested a hearing and informal consultation. The parties held a virtual informal consultation on November 4, 2024 and ONEOK subsequently provided additional materials to support its Response. By letter dated December 23, 2024, Respondent withdrew its request for a hearing and thereby authorized the entry of this Final Order without further notice.

## FINDINGS OF VIOLATION

The Notice alleged that Respondent violated 49 CFR Part 195, as follows:

**Item 1:** The Notice alleged that Respondent violated 49 CFR § 195.452(g), which states:

> **§ 195.452 Pipeline integrity management in high consequence areas.**
> (a) . . . .
> (g) *What is an information analysis?* In periodically evaluating the integrity of each pipeline segment (*see* paragraph (j) of this section), an operator must analyze all available information about the integrity of its entire pipeline and the consequences of a possible failure along the pipeline. Operators must continue to comply with the data integration elements specified in § 195.452(g) that were in effect on October 1, 2018, until October 1, 2022. Operators must begin to integrate all the data elements specified in this section starting October 1, 2020, with all attributes integrated by October 1, 2022. This analysis must:
> (1) Integrate information and attributes about the pipeline that include, but are not limited to:

The Notice alleged that Respondent violated 49 CFR § 195.452(g) by failing to analyze all available information about the integrity of its entire pipeline and the consequences of a possible failure along the pipeline. Specifically, the Notice alleged that ONEOK failed to integrate all the data elements specified in this section (including: depth of cover surveys, results of examinations of exposed portions of buried pipelines, and location of casings and if shorted) starting October 1, 2020, with all attributes integrated by October 1, 2022, for Hutch Reno Del to Hillside Booster pipeline segment (Line ID 10374), located in Hutchinson, Kansas.

In its Response ONEOK contested Item 1, stating that its NGL Integrity Management Program, Section 6 (Risk Analysis) was completed in accordance with 49 CFR § 195.452(g), and that all applicable data integration elements are incorporated as variables in its risk model calculations. ONEOK further explained that, under its Procedure 63 (Data Integration), risk model results are integrated via Section 6 and reviewed as part of the SME Threat Category Evaluation Summary. ONEOK stated that SME discussions of risk model results consider all integrated data elements, including those alleged to be missing from the analysis in the Notice. ONEOK stated that this means the Hutch Reno Del to Hillside Booster model results included depth of cover data, results of exposed portions of buried pipelines, and casing data (including shorted casings). ONEOK also stated that under its NGL Risk Algorithm, these data integration elements are included in the Failure Likelihood Assessment, which evaluates susceptibility to failure from external corrosion and third-party damage.

The parties discussed Item 1 during the informal consultation on November 4, 2024. During the meeting, ONEOK provided additional records clarifying that its risk algorithm included the data integration elements at issue. On December 4 and December 19, 2024, ONEOK submitted additional information showing that it had revised its procedures to clarify that its risk model and analysis integrate all the data elements required by § 195.452(g).

In a recommendation for final action submitted pursuant to § 190.209(b)(7), the Director recommended withdrawing the alleged violation of § 195.452(g). Based upon the foregoing, I hereby order that Item 1 be withdrawn.

**Item 2:** The Notice alleged that Respondent violated 49 CFR § 195.452(i)(1), which states:

> **§ 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) *General requirements.* An operator must take measures to prevent and mitigate the consequences of a pipeline failure that could affect a high consequence area. These measures include conducting a risk analysis of the pipeline segment to identify additional actions to enhance public safety or environmental protection. Such actions may include, but are not limited to, implementing damage prevention best practices, better monitoring of cathodic protection where corrosion is a concern, establishing shorter inspection intervals, installing EFRDs on the pipeline segment, modifying the systems that monitor pressure and detect leaks, providing additional training to personnel on response procedures, conducting drills with local emergency responders and adopting other management controls.

The Notice alleged that Respondent violated 49 CFR § 195.452(i)(1) by failing to take measures to prevent and mitigate the consequences of a pipeline failure that could affect a high consequence area, including conducting a risk analysis of the pipeline segment to identify additional actions to enhance public safety or environmental protection. Specifically, the Notice alleged that ONEOK's risk analysis for its Bell Pump, Frost Pump, and Hutchinson Junction Pump Stations included incorrect information regarding internal corrosion mitigation for facilities located in a high consequence area.

In its Response, ONEOK did not contest Item 2 as it relates to the Hutchinson Pump Station. ONEOK stated that it had updated the Facility Risk Model for the Hutchinson Pump Station to reflect that the evaluation questionnaire category for internal corrosion monitoring with coupon is answered "NO," which aligns with the actual conditions at the facility.

However, ONEOK contested Item 2 as it relates to the Bells and Frost Pump Stations. ONEOK contended that the Facility Risk Models for both stations accurately reflect in the evaluation questionnaire that the category for internal corrosion monitoring with coupon is answered "NO." Accordingly, ONEOK requested that the Bells and Frost Pump Stations be removed from this allegation and that Item 2 be limited to the Hutchinson Pump Station.

The parties discussed this issue during the informal consultation on November 4, 2024, during which ONEOK provided additional records demonstrating that its Facility Risk Models for the Bells and Frost Pump Stations reflected the internal corrosion monitoring category as "NO." On December 31, 2024, ONEOK provided further information showing that its Facility Integrity Database had been updated to accurately reflect the value for internal coupon corrosion monitoring for the Hutchinson Junction Pump Station.

In a recommendation for final action dated June 3, 2025, submitted pursuant to § 190.209(b)(7),

the Director recommended withdrawing the alleged violation of § 195.452(i)(1) as it relates to the Bells and Frost Pump Stations.
Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 195.452(i)(1) for the Hutchinson Junction Pump Station by failing to take measures to prevent and mitigate the consequences of a pipeline failure that could affect a high consequence area, including conducting a risk analysis of the pipeline segment to identify additional actions to enhance public safety or environmental protection. Based upon the foregoing, Item 2 is withdrawn as it relates to the Bells and Frost Pump Stations.

**Item 4:** The Notice alleged that Respondent violated 49 CFR § 195.573(e), which states:

> **§ 195.573 What must I do to monitor external corrosion control?**
> (a) . . . .
> (e) *Corrective action.* You must correct any identified deficiency in corrosion control as required by § 195.401(b). However, if the deficiency involves a pipeline in an integrity management program under § 195.452, you must correct the deficiency as required by § 195.452(h).
>
> **§ 195.401 General requirements.**
> (a) . . . .
> (b) An operator must make repairs on its pipeline system according to the following requirements:
> (1) *Non Integrity management repairs.* Whenever an operator discovers any condition that could adversely affect the safe operation of its pipeline system, it must correct the condition within a reasonable time. However, if the condition is of such a nature that it presents an immediate hazard to persons or property, the operator may not operate the affected part of the system until it has corrected the unsafe condition.

The Notice alleged that Respondent violated 49 CFR § 195.573(e) by failing to correct any identified deficiency in corrosion control as required by §§ 195.573(e) and 195.401(b). Specifically, the Notice alleged that, ONEOK failed to correct low cathodic protection (CP) potential at the North Fence test point and Receiver trap test point at Warren Plant in Robert County, Texas, for two consecutive inspection cycles

In its Response, ONEOK, did not contest Item 4, the proposed penalty, or proposed corrective actions.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 195.573(e) by failing to correct any identified deficiency in corrosion control as required by §§ 195.573(e) and 195.401(b).

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 exceeding $200,000 per violation for each day of the violation, with a maximum administrative civil penalty exceeding $2,000,000 for any related series of violations.[1]

In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 CFR § 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; any effect that the penalty may have on its ability to continue doing business; the good faith of Respondent in attempting to comply with the pipeline safety regulations; and self-disclosure or actions to correct a violation prior to discovery by PHMSA. 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 $33,800 for the violation cited above. Effective May 20, 2025, PHMSA revised its proposed civil penalty calculation policy to use the version of the Civil Penalty Worksheet in effect when the alleged violation occurred. The new policy reduces the total proposed civil penalty in this case to $31,400.

**Item 4:** The Notice proposed a civil penalty of $33,800 for Respondent's violation of 49 CFR § 195.573(e), for failing to correct any identified deficiency in corrosion control as required by §§ 195.573(e) and 195.401(b). The new policy for calculating a proposed civil penalty reduces the proposed civil penalty for this item to $31,400. ONEOK neither contested the allegation nor presented any evidence or argument justifying a reduction of the proposed penalty. No information was presented indicating any of the statutory civil penalty assessment factors were incorrect or should be reduced. Therefore, I find no reason to further reduce the penalty.

In a recommendation for final action dated June 3, 2025, submitted pursuant to § 190.209(b)(7), the Director recommended assessing the reduced civil penalty of $31,400. On June 5, 2025, ONEOK submitted a letter agreeing with the reduced civil penalty.

Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of **$31,400** for violation of 49 CFR § 195.573(e).

Payment of the civil penalty must be made within 20 days after receipt of this Final Order. 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.

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[1] These amounts are adjusted annually for inflation. *See* 49 CFR § 190.223 for adjusted amounts.

Failure to pay the civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 CFR § 901.9 and 49 CFR § 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, and 4 in the Notice for violations of 49 CFR §§ 195.452(g), 195.452(i)(1), and 195.573(e), 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. As discussed above, Item 1 has been withdrawn. Therefore, the compliance terms proposed in the Notice for that Item are not included in this Order. The Director has indicated that Respondent has taken the following actions to address some of the cited violations:

> With regard to the violation of § 195.452(i)(1) (Item 2), the Director has indicated that ONEOK has satisfied the proposed compliance terms.

Accordingly, I find that compliance has been achieved with respect this violation. Therefore, the compliance terms proposed in the Notice for Item 2 are not included in this Order.

As for the remaining compliance terms, pursuant to the authority of 49 U.S.C. § 60118(b) and 49 CFR § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

> 1. With respect to the violation of § 195.573(e) (**Item 4**), Respondent must provide documentation that supports the adequacy and sufficiency of the new cathodic protection criteria of -100 mV applied for the North Fence test point and Receiver Trap test points at Warren Plant. These records must be provided to the Director within **30** days of receipt of the Final Order.

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.

PHMSA requests that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. 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.

Failure to comply with this Order may result in administrative assessment of civil penalties exceeding $200,000, as adjusted for inflation (*see* 49 CFR § 190.223 for adjusted amounts), 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.

## WARNING ITEM

With respect to Item 3, the Notice alleged a probable violation of Part 195, but identified it as a warning item pursuant to § 190.205. The warning was for:

> 49 CFR § 195.589(c) **(Item 3)** ─ Respondent's alleged failure to maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by Subpart H in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist.

If OPS finds a violation of this provision in a subsequent inspection, Respondent may be subject to future enforcement action.

Under 49 CFR § 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. The written petition must be received no later than 20 days after receipt of the Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 CFR § 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 CFR § 190.5.

LINDA GAIL DAUGHERTY
Digitally signed by LINDA GAIL DAUGHERTY
Date: 2025.10.14 16:47:03 -04'00'

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

October 15, 2025

Date Issued