



November 21st, 2024

Via Electronic Mail to: Bryan.Lethcoe@dot.gov

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

Re: CPF 4-2024-036-NOPV

Dear Mr. Lethcoe,

On October 22, 2024, ONEOK NGL Pipeline, LLC ("ONEOK") received your letter including a Notice of Probable Violation and Proposed Compliance Order. Thank you for the opportunity to respond. ONEOK does not contest Item 2 or its corrective actions in the Proposed Compliance Order. The proposed timeframe for the corrective actions may need to be extended due to delays that we have recently experienced regarding necessary permitting, but we will communicate such a request if and when needed. Regarding Item 1, ONEOK respectfully asserts that it is compliant with 49 CFR 195.452, and therefore contests the allegations in Item 1 and requests a hearing in which it will be represented by counsel. ONEOK also requests an informal conference as it seeks to understand PHMSA's concerns and explain how its emergency flow restricting device (EFRD) analysis for line segments located in a high consequence area (HCA) or an area that could affect an HCA considers all applicable criteria in an effort to resolve this matter. ONEOK shares PHMSA's mission for pipeline safety and appreciates the opportunity to work with PHMSA on resolving this NOPV.

1. § 195.452 Pipeline integrity management in high consequence areas.

(a)

(f) *What are the elements of an integrity management program?* An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

(1)

(6) Identification of preventive and mitigative measures to protect the high consequence area (see paragraph (i) of this section);

(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 that is located in, or which could affect, a high-consequence area (HCA) in the event of a hazardous liquid pipeline release, an operator must install the EFRD. In making this determination, an operator must, at least, evaluate 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 within the HCA or between the pipeline segment and the HCA it could affect, and benefits expected by reducing the spill size. An RMV installed under this paragraph (i)(4) must meet all of the other applicable requirements in this part, provided that the requirement of this sentence does not apply to gathering lines.

ONEOK failed to determine whether Emergency Flow Restricting Devices (EFRDs) were needed to protect a high consequence area (HCA) in the event of a hazardous liquid pipeline release in accordance with § 195.452(i)(4). Specifically, ONEOK failed to conduct an adequate EFRD analysis for its “Conway to Eldorado 4in” (Conway to Eldorado) pipeline and its “Bushton to Conway Pump Station to Wichita Terminal 6 Inch” (Bushton to Conway) pipeline.

In addition, ONEOK failed to include identification of preventive and mitigative measures to protect the HCA in its integrity management (IM) program in accordance with § 195.452(f)(6). Specifically, ONEOK’s IM program only required an EFRD scenario evaluation on a covered segment if it is “within the top 50% of all risk scores”¹ and technically feasible. Section 195.452(i)(4) requires an EFRD analysis for all covered segments.

ONEOK’s IM program describes a two-step EFRD evaluation process. First, in accordance with section 4.2.1, ONEOK conducts a baseline evaluation for each covered segment using most of the factors listed in § 195.452(i)(4), but not the benefits expected by reducing spill size. These factors are quantified into a “risk score.” Then, if the risk score is not within the top 50 percent of all risk scores, the benefits expected by reducing spill size are deemed “negligible due to minimal reduction of overall risk scores,” and the analysis stops there. In addition, even if a segment is within the top 50% of all risk scores, ONEOK’s procedure does not require an analysis for any line segment less than 5 miles from a pump station or less than 5 miles in length because it determined that installation of an EFRD in those situations is not technically feasible and the benefits expected by reducing spill size are negligible. Second, if the risk score is within the top 50 percent of all risk scores and the segment is more than 5 miles from a pump station or more than 5 miles in length, ONEOK conducts an EFRD “scenario” analysis. The scenario analysis employs a model to simulate hazardous liquid releases by strategically placing EFRDs at various points along the pipeline, aiming to identify the most effective installation locations.

For certain segments, ONEOK performs multiple scenario analyses to simulate various iterations of EFRD locations. Using that analysis, ONEOK determines whether any EFRDs are needed.

For the Conway to Eldorado pipeline, ONEOK failed to conduct an EFRD scenario analysis because the risk score was not within the top 50 percent of all risk scores.² Without an EFRD scenario analysis, ONEOK cannot provide a thorough or adequate technical justification for recommending against the installation of any EFRDs. Therefore, the Conway to Eldorado pipeline EFRD evaluation is inadequate.

For the Bushton to Conway pipeline, ONEOK's EFRD scenario analysis failed to provide a thorough and adequate technical justification for recommending against the installation of any EFRDs.³ ONEOK conducted two scenario analyses, and both determined that there would be a significant reduction in the amount of hazardous liquid released if EFRDs were installed in specific locations. In EFRD Scenario Analysis 1, the motor operated valve (MOV) simulated on 11th avenue north of Lake Inman reduced the shutoff time from 90 minutes to 2 minutes, and it reduced the total volume released from 750 barrels to 250 barrels – a 67% reduction in the amount of hazardous liquid released as compared to the current configuration. However, ONEOK failed to recommend installation of an EFRD or adequately explain why an EFRD is not needed.

Therefore, ONEOK failed to determine whether EFRDs were needed to protect an HCA in the event of a hazardous liquid pipeline release in accordance with § 195.452(i)(4).

ONEOK RESPONSE:

ONEOK respectively asserts that its IM program does evaluate the factors listed in § 195.452(i)(4) and § 195.452(f)(6). ONEOK's HCA EFRD analysis includes all covered line segments with further analysis for covered segments that meet given risk criteria. Additionally, the facts stated supporting the NOPV basis for Item #1 do not accurately align with the requirements of § 195.452(i)(4). ONEOK requests an informal conference to discuss this matter as it seeks to understand PHMSA's concerns as well as explain how its HCA EFRD analysis meets the requirements found in § 195.452.

2. § 195.452 Pipeline integrity management in high consequence areas.

(a)

(h) What actions must an operator take to address integrity issues? —

(1) General requirements. An operator must take prompt action to address all anomalous conditions in the pipeline that the operator discovers through the integrity assessment or information analysis. In addressing all conditions, an operator must evaluate all anomalous conditions and remediate those that could reduce a pipeline's integrity, as required by this part. An operator must be able to demonstrate that the remediation of the condition will ensure that the condition is unlikely to pose a threat to the long-term integrity of the pipeline. An operator must comply with all other applicable requirements in this part in remediating a condition. Each operator must, in repairing its pipeline systems, ensure that the repairs are made in a safe and timely manner and are made so as to prevent damage to persons, property, or the environment. The calculation method(s) used for anomaly evaluation must be applicable for the range of relevant threats.

ONEOK failed to take prompt action to address all anomalous conditions in its pipeline it discovered through its information analysis in accordance with § 195.452(h)(1). Specifically, ONEOK failed to promptly remediate external corrosion (AC related) issues after it discovered a leak due to AC stray current corrosion and after several inspections identified AC pipe to soil voltages greater than 15 volts over consecutive years on pipeline segment 11107 (PL107 Morris to Lemont 10 in) of North System.

On July 13, 2020, ONEOK discovered a vapor release coming from a casing vent riser on pipeline segment 11107. ONEOK reported the release and indicated that 2.5 barrels of propane was released. ONEOK reported, with the support of a metallurgical evaluation, that the release was caused by a pinhole leak due to AC stray current corrosion.

PHMSA reviewed AC pipe to soil readings for segment 11107 from 2016 to 2023 and found 19 testing locations that had AC pipe to soil voltages greater than 15 volts for one or more years, as indicated in the table below. However, ONEOK failed to remediate the stray current at any location.

SEG/Site Code and Pipe	Milepost	Location Description	Inspection Date	AC P/S	Survey
SEG. 11107	3.689	McLindon NS For.NBPL - ONEOK Blk Wire	4/13/2021	15.850	2021 Annual Survey
			4/14/2022	18.532	2022 Annual Survey
			4/5/2023	22.450	2023 Annual Survey
SEG. 11107	5.355	NS. I 80 Cased Crossing	4/26/2016	17.698	2016 Annual Survey
			4/14/2022	16.195	2022 Annual Survey
			4/5/2023	21.127	2023 Annual Survey

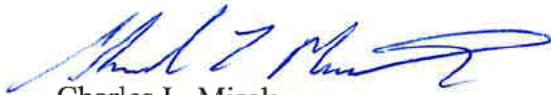
SEG. 11107	6.765	ES. County Line Rd. APM 6	4/20/2022 4/5/2023	20.302 26.248	2022 Annual Survey 2023 Annual Survey
SEG. 11107	7.801	NS. Mound Rd For.ANR	4/5/2023	31.494	2023 Annual Survey
SEG. 11107	8.427	WS.EJ&E RxR Cased Crossing -	4/19/2021 4/20/2022 4/5/2023	17.260 17.900 37.663	2021 Annual Survey 2022 Annual Survey 2023 Annual Survey
SEG. 11107	8.489	Nicor Foreign Crossing	4/19/2021 4/20/2022	17.834 22.112	2021 Annual Survey 2022 Annual Survey
			4/5/2023	38.398	2023 Annual Survey
SEG. 11107	8.915	NS.Seil Rd. APM 8	4/20/2022 4/5/2023	16.191 20.835	2022 Annual Survey 2023 Annual Survey
SEG. 11107	10.919	SS.Black Road Apm #10 Dairyland PCR	4/15/2021 4/5/2023	15.619 19.821	2021 Annual Survey 2023 Annual Survey
SEG. 11107	13.224	NS.Caton Farm Rd. Cased Crossing	4/20/2022 4/5/2023	16.214 17.028	2022 Annual Survey 2023 Annual Survey
SEG. 11107	13.266	NS.Caton Farm Rd. MLV #3	4/20/2022 4/5/2023	16.007 16.943	2022 Annual Survey 2023 Annual Survey
SEG. 11107	14.838	ES.Hwy 59 Casing	4/25/2022 4/6/2023	21.939 33.833	2022 Annual Survey 2023 Annual Survey
SEG. 11107	15.650	ES. Lilly Cache Road	4/21/2022 4/6/2023	15.081 18.380	2022 Annual Survey 2023 Annual Survey
SEG. 11107	18.867	NS.Airport Rd.Case Crossing: filled 01/2012	4/21/2022 4/6/2023	20.482 36.228	2022 Annual Survey 2023 Annual Survey
SEG. 11107	19.283	NS. Sierra Trail: Case filled	4/26/2016 5/16/2017 4/27/2018 4/22/2020 4/21/2022 4/6/2023	16.714 22.636 18.125 16.385 26.734 31.982	2016 Annual Survey 2017 Annual Survey 2018 Annual Survey 2020 Annual Survey 2022 Annual Survey 2023 Annual Survey
SEG. 11107	19.456	Westlake Sub. Briarclif Abandoned RR	5/16/2017 4/22/2020 4/21/2022 4/6/2023	16.643 16.257 18.906 22.310	2017 Annual Survey 2020 Annual Survey 2022 Annual Survey 2023 Annual Survey
SEG. 11107	23.048	WS.Troxel Ave.107 S.line	4/19/2019	16.336	2019 Annual Survey

ONEOK RESPONSE:

ONEOK does not contest this item, or the corrective actions outline in the Proposed Compliance order. However, the proposed timeframe for the corrective actions may need to be extended due to delays that we have recently experienced regarding necessary permitting, but we will communicate such a request if and when needed.

ONEOK very much appreciates and shares PHMSA's mission of pipeline safety and recognizes PHMSA's unique perspective in seeing a much broader array of pipeline safety issues. ONEOK respectfully requests informal discussions and hearing on the merits of Item 1, but desires to work with PHMSA to resolve this matter at an informal conference.

Sincerely,



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Director, Integrated Operations
Pipeline Safety

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