



By Electronic Mail

July 7, 2025

Mr. Bryan Lethcoe
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration
US Department of Transportation
8701 South Gessner, Suite 630
Houston, Texas 77074

Re: Inland Corporation
Notice of Amendment
CPF 4-2025-003-NOA

Dear Mr. Lethcoe:

Inland Corporation (Inland or Company) is in receipt of the Pipeline and Hazardous Materials Safety Administration's (PHMSA) Notice of Amendment (NOA) issued on and received by the Company on May 08, 2025. By way of background, the Notice was issued following a PHMSA inspection of the Inland Integrity Management Program procedures from August 6, 2024 to December 12, 2024. The Notice detailed one (1) apparent inadequacy found within the Company's written procedures concerning integrity management found in 49 C.F.R. Part 195.

On June 4, 2025, Inland requested a copy of the Case File and an extension of time to respond until July 7, 2025. PHMSA provided the Case File on June 5, 2025 and approved the extension of time on June 6, 2025; thus, this response is timely.

The Company has completed a review of the NOA and is providing its response to such herein.

Inland shares PHMSA's commitment to pipeline safety, public safety, and pipeline integrity. Should you have any questions or concerns during the review of this submission please contact me at (713) 989-7126 or via email at todd.nardozzi@energytransfer.com.

Sincerely,
Todd
Nardozzi
Todd Nardozzi
Director – DOT Compliance

A digital signature in red ink, consisting of a stylized, flowing line that loops around the text "Digitally signed by Todd Nardozzi" and "Date: 2025.07.07 15:19:05 -05'00'".

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Date: 2025.07.07 15:19:05 -05'00'

Attachment

PHMSA NOA

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

(a)

(b) *What program and practices must operators use to manage pipeline integrity?* Each operator of a pipeline covered by this section must:

(1) Develop a written integrity management program that addresses the risks on each segment of pipeline in the first column of the following table no later than the date in the second column:

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

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(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.

(i)

(ii) *Long-term pressure reduction.* When a pressure reduction exceeds 365 days, the operator must notify PHMSA in accordance with paragraph (m) of this section and explain the reasons for the delay. An operator must also take further remedial action to ensure the safety of the pipeline.

Inland's written integrity management program was inadequate to provide for safe operation of a pipeline facility in accordance with § 195.452(h)(1)(ii). Specifically, Inland's Pipeline Integrity Management Plan (IMP)², *ETC Hazardous Liquids IMP* (Rev. 10, Sept. 20, 2024), Section 7.3: *Discovery of a Condition*, failed to describe how it would determine further remedial actions to ensure the safety of the pipeline when a pressure reduction exceeds 365 days in accordance with § 195.452(h)(1)(ii).

Section 7.3 re-states the regulatory requirement in § 195.452(h)(1)(ii) to take further remedial actions to ensure pipeline safety when a pressure reduction exceeds 365 days but does not describe how further remedial actions are determined to ensure the safety of the pipeline.

Therefore, Inland must revise its integrity management program to describe how further remedial action is determined to ensure the safety of the pipeline when a pressure reduction exceeds 365 days in accordance with § 195.452(h)(1)(ii).

Inland Response

The Company has reviewed the PHMSA finding described above and the supporting documentation included in the Pipeline Safety Violation Report and disagrees with the directive to revise its Integrity Management Program (IMP) to describe “how further remedial action is determined to ensure the safety of the pipeline when a pressure reduction exceeds 365 days in accordance with § 195.452(h)(1)(ii)”.

For the purposes of background, PHMSA inspected the circumstances and documentation surrounding the condition that caused Inland to implement a reduced operating pressure and was also in receipt of the August 2, 2024 long term pressure reduction notification made by the Company and as described in such, the Company’s intent to increase patrolling frequency to weekly to ensure the continued safe operation of the pipeline until such time the subject condition could be permanently remediated. The condition existed in an area that required several permits and an approval to cross a railroad to be secured in order to excavate, assess and remediate the condition as needed. The protracted process in obtaining such permits and approval from the railroad were the reason for the delay. Permanent repair was completed on January 23, 2025.

First, Inland describes its repair and remediation methods in Section 7.13 of its Integrity Management Program document (section included with this submission under Attachment A). Further, § 195.452(h)(1)(ii) states that “*When a pressure reduction exceeds 365 days, the operator must notify PHMSA in accordance with paragraph (m) of this section and explain the reasons for the delay. An operator must also take further remedial action to ensure the safety of the pipeline*”. Inland notified PHMSA on August 2, 2024, that the pressure reduction initially taken on the CV10 13221 pipeline on August 3, 2023 would exceed 365 days and that Inland would increase the patrolling frequency to weekly for the affected segment. Therefore, Inland complied with the requirements of § 195.452(h)(1)(ii).

The plain language of § 195.452(h)(1)(ii) does not require an operator to describe in its procedures or plans “how” further remedial action is determined to ensure the safety of the pipeline when a pressure reduction exceeds 365 days. Situations wherein a pressure reduction exceeds 365 days vary greatly as do the conditions for which the pressure reduction was initially implemented. As such, the additional actions an operator may elect to take when a pressure reduction exceeds 365 days can vary greatly as well. PHMSA itself acknowledged such in the discussion of operator comments received in response to Amendment 195-74¹, specifically those relating to § 195.452(h), that “Remediate can encompass a broad range of actions, which include mitigative measures as well as repair, that an operator can take to resolve a potential integrity concern. Although we firmly believe repair is necessary to address many anomalies, we recognize repair may not be necessary in all instances. The rule provides the operator flexibility to determine the most appropriate action to take. However, we added language to ensure that whatever action is taken by an operator, it must be adequate to resolve the integrity concern on the pipeline for the long term. We also added a requirement that when an operator chooses to remediate a condition through a reduction in operating pressure, the pressure reduction is not to extend beyond 365 days without the operator taking further action to ensure the safety of the pipeline.”

The intent is that an operator takes action, in these instances and such action may consist of a single measure such as simply continuing to maintain the pressure reduction or a combination of multiple measures. The point at hand is that describing how further remedial action is determined can be complex. However, what is most important and has a direct impact on pipeline safety is that an operator commits to taking further remedial action in these instances. Inland clearly is committed to taking further remedial action in these instances by stating in Section 7.3 of its Integrity Management Plan document that “A reduction in pressure will not be allowed to exceed 365 days with out a notification and explanation being sent to PHMSA as specified in § 195.452(h)(1)(ii). The Company will take further remedial action to ensure the safety of the pipeline”.

¹ Amendment 195-74, 67 FR 2136 published January 14, 2002.

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Second, Inland's consultation of the PHMSA Enforcement Guidance also does not indicate that an operator must describe in its procedures or plans "how" further remedial action is determined to ensure the safety of the pipeline when a pressure reduction exceeds 365 days. PHMSA enforcement guidance only provides that an example of a Probable Violation or Inadequate Procedures related to § 195.452(h)(1)(ii) could be 1) "failure to take additional remedial actions when a pressure reduction exceeded 365 days" and 2) "a failure to notify PHMSA when a pressure reduction exceeded 365 days". Examples of evidence include 1) "documentation that shows deficiencies in the additional remedial action taken by the operator when a pressure reduction exceeds 365 days" and 2) "documentation that shows PHMSA was not notified when schedules could not be met, and temporary pressure reductions could not be made or pressure reductions exceeded 365 days". PHMSA has not provided any evidence that indicates Inland's IMP document or any of its actions taken in this specific instance met any of the examples or evidence of a Probable Violation or Inadequate Procedures related to the requirements of § 195.452(h)(1)(ii).

Further, Inland reviewed prior PHMSA enforcement history related to § 195.452(h)(1)(ii) and found no other instances where PHMSA issued enforcement in the form of a Notice of Probable Violation, a Notice of Amendment or a Warning that an operator was required to describe in their plans and/or procedures how further remedial action is determined to ensure the safety of the pipeline when a pressure reduction exceeds 365 days in accordance with § 195.452(h)(1)(ii). This requirement has been in effect since February 13, 2002, with no prior enforcement history specifically related to and germane to this matter raised now by PHMSA nor has there been any advisory information provided to the industry by PHMSA on this specific matter. Given this, industry has no reasonable and fair methodology to determine PHMSA's position on the matter and to measure such position against its own procedures and plans to ensure it is in compliance with the plain language of the regulation and the PHMSA expectation as to how § 195.452(h)(1)(ii) should be implemented by the industry.

The PHMSA NOA is not based on any plain language in § 195.452(h)(1)(ii), any PHMSA enforcement guidance, or any prior enforcement or advisory information specific to § 195.452(h)(1)(ii). Therefore, Inland will not revise its integrity management program to describe how further remedial action is determined to ensure the safety of the pipeline when a pressure reduction exceeds 365 days in accordance with § 195.452(h)(1)(ii) and respectfully requests PHMSA withdraw CPF 4-2025-003-NOA.