

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: bill.johnson@p66.com

May 21, 2025

Bill Johnson
President
Phillips 66
2331 Citywest Blvd
Houston, Texas 77042

CPF 4-2025-048-NOA

Dear Mr. Johnson:

From February 6 to May 22, 2024 of the on-site inspection, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected DCP Midstream's¹ (DCP) procedures for operations and maintenance in Houston, Texas.

As a result of the inspection, PHMSA has identified the apparent inadequacies found within DCP's plans and procedures. The items inspected and the inadequacies are described below:

1. **§ 192.605 Procedural manual for operations, maintenance, and emergencies.**
 - (a)
 - (b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.
 - (1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

¹ DCP Midstream is a subsidiary of Phillips 66.

§ 192.710 Transmission lines: Assessments outside of high consequence areas.

(a) *Applicability.* This section applies to onshore steel transmission pipeline segments.

(b)

(f) *Remediation.* An operator must comply with the requirements in § 192.485, § 192.711, § 192.712, § 192.713, and § 192.714, where applicable, if a condition that could adversely affect the safe operation of a pipeline is discovered.

§ 192.711 Transmission lines: General requirements for repair procedures.

(a) *Temporary repairs.*

(b)

(c) *Welded patch.* Except as provided in §192.717(b)(3), no operator may use a welded patch as a means of repair.

DCP's written procedures for conducting operations and maintenance activities in accordance with each of the requirements of Subpart L and Subpart M were inadequate to provide for safety during normal maintenance and operations in accordance with § 192.605(b)(1). Specifically, DCP's procedures, *P66-TSD-3009 Pipeline Anomaly Worklist Selection Criteria* (Rev. 4; Effective Sep. 29, 2023) and *Pipeline Repair and Lowering* (Feb. 3, 2021) failed to include procedures for the general repair requirements in § 192.711(c), if a condition that could adversely affect the safe operation of a pipeline is discovered, in accordance with § 192.710(f).

After issuance of PHMSA's Post-Inspection Written Preliminary Findings Report, DCP submitted updated procedures *P66-TSD-3009 Pipeline Anomaly Worklist Selection Criteria* (Rev. 5; Effective June 28, 2024) on July 18, 2024, to PHMSA for review. It still did not include the general repair requirement at § 192.711(c).

Therefore, PHMSA proposes that DCP amend its procedures to include the requirements in § 192.711(c), where applicable, if a condition that could adversely affect the safe operation of a pipeline is discovered in accordance with § 192.710(f).

2. § 192.605 Procedural manual for operations, maintenance, and emergencies.

(a)

(b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

§ 192.712 Analysis of predicted failure pressure and critical strain level.

- (a) Applicability. Whenever required by this part,**
- (b)**
- (g) Records. An operator must keep for the life of the pipeline records of the investigations, analyses, and other actions taken in accordance with the requirements of this section. Records must document justifications, deviations, and determinations made for the following, as applicable:**
 - (1) The technical approach used for the analysis;**
 - (2)**
 -**
- (19) Approval by responsible operator management personnel.**

DCP's written procedures for conducting operations and maintenance activities in accordance with each of the requirements of Subpart L and Subpart M were inadequate to provide for safety during normal maintenance and operations in accordance with § 192.605(b)(1). Specifically, DCP's procedure, *Gas Pipeline O&M Manual M-04 DOT Record Keeping* (Rev. Oct. 12, 2023), failed to require the retention of all records under paragraphs (1) to (19) of § 192.712(g).

Therefore, PHMSA proposes that DCP amend its written procedures for requiring record keeping to include all required records to be maintained for the life of the pipeline in accordance with § 192.712(g).

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 Enforcement 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 90 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 DCP 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 4-2025-048** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

cc: Doug B. Sauer, Manager, Pipeline Regulatory Affairs, Philips 66,
doug.b.sauer@p66.com

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings