



March 11, 2026

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

RE: CPF 4-2026-004-NOPV

Dear Mr. Lethcoe,

Representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) conducted a pipeline safety inspection of Valero Terminal and Distribution Company and Valero Partners Operating Company LLC (Valero) hazardous liquid pipeline facilities in Arkansas, Mississippi and Tennessee from February 24th through June 30th, 2025.

On February 11, 2026, the Office of Pipeline Safety issued a Proposed Compliance Order alleging Valero committed a probable violation of the Pipeline Safety Regulations in 49 CFR Part 195. This letter is intended to respond to the Notice in accordance with 49 CFR 190.208.

Valero is committed to working with PHMSA to ensure compliance with all pipeline safety regulations, and Valero appreciates the professionalism of the inspectors involved in the inspection. Their comments and suggestions are valuable and appreciated. If you have any questions or need additional information please contact Darin Banther at (210) 345-4171 or Carlos Gauna at (210) 345-5208.

Respectfully Submitted,

A handwritten signature in blue ink that reads 'Fred E. Hampton'.

Fred E. Hampton
Vice President

cc: Mr. Carlos Gauna, Director Pipeline and Facility Integrity, Valero Partners Operating Company, LLC, carlos.gauna@valero.com
Mr. Darin Banther, Manager Regulatory Compliance, Valero Partners Operating Company, LLC, darin.banther@valero.com



Item Number: 1

Requirement: 49 CFR 195.428 Overpressure safety devices and overfill protection systems

Probable Violation Description:

Valero failed to, at intervals not exceeding 15 months, but at least once each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used in accordance with § 195.428(a). Specifically, Valero has failed to properly inspect and test the thermal relief devices on Tanks 813 and 816 at its West Memphis facility since 2022.

Relief Valve Inspection Reports from Nov. 29, 2022 and Nov. 27, 2023 show the thermal relief devices on Tanks 813 and 816 as set to 150 psig. On Nov. 29, 2022 the valves were tested at 81 and 91 psig, respectively. On Nov. 27, 2023 the valves were tested to 95 and 90 psig, respectively. The differentials between the set points and testing points indicate that the valves were not properly tested.

A separate inspection report from Nov. 30, 2023 lists the setting for the thermal relief device on Tank 813 as 60 psig and states that it was tested to 80 psig. On Nov. 11, 2024, the device was listed as set to 60 psig and was tested to 70 psig. Similarly, an inspection report from Nov. 11, 2024 lists the setting for the thermal relief device on Tank 816 as 55 psig and states that it was tested to 83 psig. Changes to the set point were not documented by any management of change record, the test points differ from the settings considerably, and there are no records indicating why either device was tested to a higher psig than its setting.

Therefore, Valero failed to, at intervals not exceeding 15 months, but at least once each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used in accordance with § 195.428(a).

Proposed Compliance Order:

In regard to Item 1 of the Notice pertaining to Valero's failure to properly inspect and test the thermal relief devices on Tanks 813 and 816, Valero Partners must perform the following:

- a. Review the set points for the thermal relief devices on Tanks 813 and 816 and ensure they are correctly calibrated within **30** days of receipt of the Final Order.
- b. Review thermal relief device settings and required testing points with personnel at its West Memphis and ensure that personnel have access to required records showing the set points within 30 days of receipt of the Final Order.
- c. Review the personnel qualifications for personnel performing inspections of the thermal relief devices at its West Memphis facility and determine if they require retraining within 30 days of receipt of the Final Order.



Response:

Valero does not contest this alleged violation and has taken or will take the following actions to address the items noted in the Proposed Compliance Order:

- a. Setpoint Review and Calibration - Valero completed an engineering review of the thermal relief valve (TRV) setpoints for Tanks 813 and 816 at the West Memphis Terminal. The review established a setpoint value of 85 psi for each TRV. Both TRVs were tested and recalibrated to the approved setpoint on November 14, 2025. These actions ensure the devices are properly calibrated and in compliance with § 195.428(a).
- b. Review of TRV Settings and Records Accessibility - Valero initiated Management of Change (MOC) #234250 to document and communicate the updated TRV setpoints for Tanks 813 and 816. As part of this MOC, Valero updated the applicable P&IDs and revised the Valero OMC database to ensure the correct setpoints are reflected. Additionally, Valero ensured that inspection personnel have access to and can reference the updated setpoints through their iPad devices during inspections. These actions ensure that personnel have the required information and testing parameters readily available, as required by the Proposed Compliance Order.
- c. Review of Personnel Qualifications and Procedure Revision - Valero reviewed the qualifications of personnel responsible for inspecting thermal relief devices at the West Memphis Terminal. Based on this review, Valero will revise OM&E Manual procedure OME-P524 *Overpressure Protection Inspection and Testing*, by adding more detail to Section 5.2.2, Step 5. The revision will require inspectors to verify TRV setpoints using Survey123 and applicable P&IDs and to document any discrepancies identified during the inspection. These procedural updates will be completed within 30 days of receipt of the Final Order.
- d. Within 30 days of receipt of the Final Order, Valero will provide retraining to operations personnel at the West Memphis Terminal. Training will cover:
 - i. Verifying TRV setpoints using Survey123 and P&IDs and documenting any discrepancies on the inspection form.
 - ii. Testing the TRV and making adjustments as necessary to ensure activation at the desired set pressure.

This retraining will ensure that personnel performing TRV inspections are fully qualified in accordance with the updated procedure and the requirements of the Proposed Compliance Order.