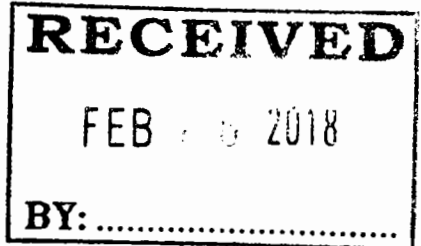


PLAINS
MARKETING, L.P.



February 21, 2018

Via Certified Mail and Electronic Mail

Mr. Dustin Hubbard
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration
Office of Pipeline Safety
12300 West Dakota Avenue, Suite 110
Lakewood, CO 80228

Re: CPF No. 5-2018-0001

Dear Mr. Hubbard:

On Friday, January 26, 2018, Plains All American Pipeline, L.P. ("Plains"), received a Notice of Probable Violation (NOPV) and Proposed Compliance Order letter from Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), dated January 17, 2018. This letter was in response to a PHMSA inspection of a 6-inch gas line that serves the Martinez Terminal in northern California conducted in July and August, 2017.

In the letter, PHMSA identified the items inspected and the probable violations of the Pipeline Safety Regulations. Those probable violations are listed below (in ***bold italicized text***), along with the corresponding Plains response:

- 1. Plains violated 49 C.F.R. § 192.605(a) by failing to review and update its manual of written procedures for conducting operations and maintenance activities and for emergency response (Manual) at intervals not exceeding 15 months, but at least once each calendar year. The Manual's Review/Revision Log provided at the time of the inspection showed that the Manual had been reviewed in March 2015 but not in 2016¹. Plains did not provide PHMSA with any other records or substantiating evidence to demonstrate that it conducted a review and made updates to its Manual in 2016.***

Plains Response:

Plains reviewed and updated the operations, maintenance, and emergency response manual in October 2017. A copy of the review and update log has been include as an attachment.

2. ***Plains violated 49 C.F.R. § 192.605(a) by failing to follow its written procedures for conducting operations and maintenance activities and for emergency response. Specifically, Plains' O&M Manual Review Procedure, Section 2.4 states:***

The Operations Department shall review the actual work done by PLAINS operating personnel to determine the effectiveness and adequacy of the procedures used in the normal operation and maintenance of the fuel gas pipeline. Those reviewing the manual shall submit proposed procedure modifications to the EHS Department for review and inclusion in the manual, if appropriate.

At the time of the PHMSA inspection, Plains could not provide any records or other substantiating evidence to demonstrate that the review of actual work done by its operating personnel to determine the effectiveness and adequacy of the procedures used in the normal operation and maintenance of the fuel gas pipeline was conducted.

Plains Response:

On September 19, 2017 Plains reviewed the work done by operating personnel on the gas line in order to assess the effectiveness and adequacy of the procedures. As a result of the review, no updates were deemed necessary at this time. A copy of the review and update log has been include as an attachment.

3. ***Plains violated 49 C.F.R. § 192.625(f) by failing to conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable. At the time of the inspection, Plains could not produce records or other substantiating evidence to demonstrate that it was conducting periodic sampling of its combustible gas. Instead, Plains stated that it did not conduct periodic sampling to assure proper concentration of the odorant because it relies on the written statement from PG&E that the gas it supplies to Plains is fully odorized. However, Plains is not an operator of a master meter system as defined in 49 C.F.R. § 191.3, and therefore cannot rely on written verification from its gas source that the gas has the proper concentration of odorant pursuant to 49 C.F.R. § 192.625(f)(1).***

Plains Response:

TransMontaigne Operating Company L.P. (TransMontaigne) became the owner of the Plains Products Terminals at Martinez and Richmond, CA, at 12:01 AM on December 15, 2017 and became the operator of record at 12:01 AM on February 13, 2018. The ownership change notification was filed on February 08, 2018. The operator change notification will be filed within 60-days of the change. As Operator of the facility, TransMontaigne will develop a written procedure for conducting periodic sampling of combustible gases for the Martinez Terminal. An instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable will be utilized and the testing conducted per the written procedure. The written procedure and periodic

Mr. Dustin Hubbard
February 21, 2018
Page 3

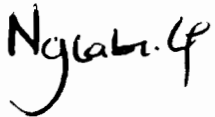
sampling records will be submitted to PHMSA within 180 days after receipt of the Final Order letter.

TransMontaigne requests that it be included in all future correspondence with PHMSA related to the NOPV Final Order Letter. Future correspondence to TransMontaigne regarding the Final Order Letter should be directed to

Pamela Cannon
DOT Compliance Coordinator
TransMontaigne Operating Company L.P.
200 Mansell Court East, Suite 600
Roswell, GA. 30076
pcannon@transmontaigne.com
(770) 518-3710-Office
(470) 226-6040-Cell

We thank you for your consideration of this matter and trust that the submittal of this correspondence provides the requested information.

Sincerely,



 Wm. Dean Gore, Jr.,
Vice President, Environmental & Regulatory Compliance

Enclosure: 20170920 O&M Review form.

PHMSA Martinez Gas Line Form_225_Mart Gas Line.

PHMSA Martinez Gas Line O&M Pressure Relief Review - Form_225_Mart Gas Line.

cc: Pam Cannon, TransMontaigne Operating Company L.P.
John-Paul Nepote, TransMontaigne Operating Company L.P.
John Metzger, Plains.
Glen Mears, Plains.
Ngiabi Gicuhi, Plains.