

NOTICE OF AMENDMENT

VIA E-MAIL TO MR. TODD DENTON

April 25, 2022

Mr. Todd Denton
President
Phillips 66 Pipeline, LLC
3010 Briarpark Drive
PWC-7109
Houston, TX 77042

CPF 5-2022-035-NOA

Dear Mr. Denton:

From October 4 through October 8, 2021, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Phillips 66's written procedures for its California Gas Line in San Obispo, California.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Phillips 66's procedures, as described below:

1. §192.605 Procedural manual for operations, maintenance, and emergencies.

(a) . . .

(e) *Surveillance, emergency response, and accident investigation.* The procedures required by §§ 192.613(a), 192.615, and 192.617 must be included in the manual required by paragraph (a) of this section.

Phillips 66 relies on its Integrated Contingency Plan (ICP), California Pipeline Response Zone (Revision August 2021) manual for emergency response procedures required under § 192.605(e) for their California Natural Gas Pipelines. This document, however, mainly includes Part 194 requirements. For example, Section I – Plan Introduction Elements, Page I-6, under the heading “DOT Plan Revisions” states:

Each operator shall review its response Plan at intervals not exceeding 15 months, but at least once each calendar year and modify the Plan to address new or different operating conditions or information included in the Plan.

If a new or different operating condition or information would substantially affect the implementation of a response Plan, the operator must immediately modify its response Plan to address such a change and, within 30 days of making such a change, submit the change to PHMSA.

This manual, which includes requirements set forth in §194.121 of Part 194-Response Plans for Onshore Oil Pipelines, appears to be intended for liquid pipelines subject to Part 194, and not natural gas pipelines. Emergency response for natural gas pipelines is significantly different than that of liquid pipelines. As such, Phillips 66's emergency response procedures required under § 192.605(e), and the timely review of such procedures, must be tailored to address gas pipelines.

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) ...

(5) Starting up and shutting down any part of the pipeline in a manner designed to assure operation within the MAOP limits prescribed by this part, plus the build-up allowed for operation of pressure-limiting and control devices.

Phillips 66's California Gas pipeline is a small gas system which ties into the SoCal Gas System. In the event the pipeline would need to be shut down quickly, there is only one valve in which field personnel could utilize to perform a shutdown.

During the inspection, Phillips 66 directed PHMSA to their ICP, Emergency Shutdown and Pressure Reduction Procedures, found in Section II-5.1 Release Detection, page II-45 for information on the shutting down of this system. However, this section is for liquid pipelines only and does not address the California Gas pipeline.¹

Phillips 66 must amend or develop a procedure in their Operations & Maintenance or Emergency Manual that clearly provides the location and process for shutting down the natural gas pipeline in the event of an emergency, and for shutting down any part of the pipeline in a manner to assure operation with the MAOP limits, plus the build-up allowed for operation of pressure-limiting and control devices pursuant to § 192.605(b)(5).

¹ It also includes reference to breakout tanks, terminal inspections, overfill, etc. and other matters that are specific to liquid pipelines and not gas pipelines.

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 Compliance 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 sixty (60) 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 Phillips 66 Pipeline, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Dustin Hubbard, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2022-035-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Dustin Hubbard
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Enforcement Proceedings*

cc: PHP-60 Compliance Registry
PHP-500 D. Fehling (#21-231738)