

WARNING LETTER

VIA ELECTRONIC MAIL TO: MR. PATRICK HODGINS

October 25, 2023

Mr. Patrick Hodgins
Vice President of HSE
Plains All American Pipeline, L.P.
333 Clay Street, Suite 1900
Houston, TX 77002

CPF 5-2023-055-WL

Dear Mr. Hodgins:

From April 17, 2023 to April 21, 2023 and September 6, 2023, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected the Mobile Terminal to Shell pipeline in Mobile, Alabama.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

1. § 195.573 What must I do to monitor external corrosion control?

(a) *Protected pipelines.* You must do the following to determine whether cathodic protection required by this subpart complies with § 195.571:

(1) Conduct tests on the protected pipeline at least once each calendar year, but with intervals not exceeding 15 months. However, if tests at those intervals are impractical for separately protected short sections of bare or ineffectively coated pipelines, testing may be done at least once every 3 calendar years, but with intervals not exceeding 39 months.

Plains All American Pipeline, L.P. (Plains) failed to conduct cathodic protection tests on the entire Mobile Terminal to Shell 10" pipeline at least once each calendar year, but with intervals not exceeding 15 months. Specifically, Annual Test Point Inspection Reports from 2020-2023 document cathodic protection is being monitored on 0.76 miles of the active and filled portion of the Mobile Terminal to Shell 10" line, but not on the remaining 1.57 miles, which was purged and retired in 2007.

The deferral of corrosion control on the retired portion of the Mobile Terminal to Shell 10" line should have been coordinated with PHMSA prior to those activities taking place. On July 10th, 2023, Plains notified PHMSA in accordance with Advisory Bulletin (ADB)-2016-05 the deferral of certain maintenance activities on its active but purged pipelines, including activities cited in 49 CFR Part 195 Subpart H - Corrosion Control.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,142 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item identified in this letter. Failure to do so will result in Plains being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2023-055-WL**. 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).

Sincerely,

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

cc: PHP-60 Compliance Registry
PHP-500 J. Luo, C. Cordova (#23-264929)
Allan Schoen – HSE Senior Specialist (Allan.Schoen@plains.com)