

WARNING LETTER

VIA ELECTRONIC MAIL TO: patrick.hodgins@plains.com; ngiabi.gicuhi@plains.com

March 13, 2024

Mr. Patrick D. Hodgins
Vice President, Health, Safety & Environmental
Plains Pipeline, L.P.
333 Clay Street, Suite 1900
Houston, TX 77002

CPF 5-2024-020-WL

Dear Mr. Hodgins:

From April 17, 2023, through November 2, 2023, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), conducted a series of onsite inspections of the Plains Crude Pipeline located in Kansas, Oklahoma, Texas, and Louisiana.

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

1. § 195.420 Valve maintenance.

(a)

(b) Each operator must, at least twice each calendar year, but at intervals not exceeding 7 ½ months, inspect each mainline valve to determine that it is functioning properly. Each rupture-mitigation valve (RMV), as defined in § 195.2 and not contained in a gathering line, or alternative equivalent technology that is

installed under § 195.258(c) or § 195.418, must also be partially operated. Operators are not required to close the valve fully during the inspection; a minimum 25 percent valve closure is sufficient to demonstrate compliance, unless the operator has operational information that requires an additional closure percentage for maintaining reliability.

Plains failed to inspect each valve to determine if each valve is functioning properly at least twice each calendar year, but at intervals not exceeding 7 ½ months as required by § 195.420(b). Specifically, Plains was unable to provide inspection records for the following pipelines and segments that Plains considered “retired”: ARKLATEX, CK Red River, Orion to Blaine, and Blaine to HWY 33 pipelines from 2021-2023. Plains also was unable to provide records for valve inspections on a pipeline segment that Plains considered “idled” (Watonga to Calumet) after 2021.

During the records inspection, Plains staff indicated they stopped performing valve inspections on “retired” or “idled” pipelines and segments per their procedures. *See*, Pipeline and Tank Status Classifications and Abandonment, P-195.402(c)(10). While these pipelines and segments were purged and classified by Plains to be either “retired” or “idled” in 2017, PHMSA only recognizes pipelines to be either active or abandoned. According to Advisory Bulletin (ADB)-2016-05, operators planning to defer certain activities for purged pipelines should coordinate the deferral in advance with PHMSA.

Specifically, the deferral of valve inspections on the “retired” and “idled” pipelines and segments should have been coordinated with PHMSA *prior* to deferral of valve inspections. On July 10th, 2023, Plains notified PHMSA of the deferral of certain maintenance activities on its purged pipelines, including activities cited in 49 CFR Part 195 Subpart F – Operation and Maintenance. However, this was after Plains had already deferred valve inspections for these pipeline segments for several years, in violation of § 195.420(b).

2. § 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 failed to conduct cathodic protection (CP) tests on the CK Red River pipeline and ARKLATEX pipeline at least once each calendar year, but with intervals not exceeding 15 months as required by § 195.573(a)(1). Specifically, CP records show that the Quitman to Hawkins and the Yantis to Quitman segments were not inspected in 2021. For the Longwood to Caddo pipeline segment, the CP records show that multiple test stations were not inspected in either 2021 or 2022.

During the records inspection, Plains staff indicated they stopped performing CP surveys on "retired" pipelines per their procedures. *See*, Pipeline and Tank Status Classifications and Abandonment, P-195.402(c)(10). While these pipelines were purged and classified by Plains to be "retired" in 2017, PHMSA only recognizes pipelines to be either active or abandoned. According to Advisory Bulletin (ADB)-2016-05, operators planning to defer certain activities for purged pipelines should coordinate the deferral in advance with PHMSA.

Specifically, the deferral of the CP surveys on the "retired" CK Red River pipeline and ARKLATEX pipeline should have been coordinated with PHMSA *prior* to deferral of CP surveys. On July 10th, 2023, Plains notified PHMSA of the deferral of certain maintenance activities on its purged pipelines, including activities cited in 49 CFR Part 195 Subpart H - Corrosion Control. However, this was after Plains had already deferred CP inspections for these pipelines for several years, in violation of § 195.573(a)(1).

3. § 195.573 What must I do to monitor external corrosion control?

(a)

(c) *Rectifiers and other devices.* You must electrically check for proper performance each device in the first column at the frequency stated in the second column.

Device	Check frequency
Rectifier	At least six times each calendar year, but with intervals not exceeding 2 ½ months.
Reverse current switch	
Diode	
Interference bond whose failure would jeopardize structural protection	
Other interference bond	At least once each calendar year, but with intervals not exceeding 15 months.

Plains failed to conduct adequate electrical checks of rectifiers on the CK Red River pipeline and ARKLATEX pipeline at least six times each calendar year, but with intervals not exceeding 2 ½ months as required by § 195.573(c). Specifically, rectifier inspection records show that Quitman to Hawkins and Yantis to Quitman segments were last inspected on April 29, 2022. The rectifier records for the Bumpus to Hope and Longwood to Caddo segments show that the inspection was last performed on September 22, 2022.

During the records inspection, Plains staff indicated they stopped performing rectifier inspections on "retired" pipelines per their procedures. *See*, Pipeline and Tank Status Classifications and Abandonment, P-195.402(c)(10). While these pipelines were purged and classified by Plains to

be “retired” in 2017, PHMSA only recognizes pipelines to be either active or abandoned. According to Advisory Bulletin (ADB)-2016-05, operators planning to defer certain activities for purged pipelines should coordinate the deferral in advance with PHMSA.

Specifically, the deferral of electrical checks of rectifiers on the “retired” CK Red River pipeline and ARKLATEX pipeline should have been coordinated with PHMSA *prior* to deferral of electrical checks of rectifiers. On July 10th, 2023, Plains notified PHMSA in accordance with Advisory Bulletin (ADB)-2016-05, the deferral of certain maintenance activities on its purged pipelines, including activities cited in 49 CFR Part 195 Subpart H - Corrosion Control. However, this was after Plains had already deferred electrical checks of rectifiers for these pipelines for several years, in violation of § 195.573(c).

4. § 195.583 What must I do to monitor atmospheric corrosion control?

(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months.
Offshore	At least once each calendar year, but with intervals not exceeding 15 months.

Plains failed to inspect each pipeline or portion of the pipeline exposed to the atmosphere for evidence of atmospheric corrosion on the CK Red River pipeline and ARKLATEX pipeline at least once every 3 calendar years, but with intervals not exceeding 39 months as required by § 195.583(a). Specifically, Plains did not provide any atmospheric corrosion records for the CK Red River pipeline and ARKLATEX pipeline.

During the records inspection, Plains staff indicated they stopped monitoring for atmospheric inspections on “retired” pipelines per their procedures. *See*, Pipeline and Tank Status Classifications and Abandonment, P-195.402(c)(10). While these pipelines were purged and classified by Plains to be either “retired” in 2017, PHMSA only recognizes pipelines to be either active or abandoned. According to Advisory Bulletin (ADB)-2016-05, operators planning to defer certain activities for purged pipelines should coordinate the deferral in advance with PHMSA.

Specifically, the deferral of atmospheric corrosion inspections on the “retired” CK Red River pipeline and ARKLATEX pipeline should have been coordinated with PHMSA *prior* to deferral of atmospheric corrosion inspections. On July 10th, 2023, Plains notified PHMSA in accordance with Advisory Bulletin (ADB)-2016-05, the deferral of certain maintenance activities on its purged pipelines, including activities cited in 49 CFR Part 195 Subpart H - Corrosion Control.

However, this was after Plains had already deferred atmospheric corrosion inspections for these pipelines for several years, in violation of § 195.583(a).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023, and before December 28, 2023, the maximum penalty may not 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.

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 items 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 5-2024-020-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 L. Green, J. Luo (#23-264902)
Jessica Jackson – HSE Regional Manager (Jessica.Jackson@plains.com)