

SEPTEMBER 8, 2014

Mr. Terry K. Spencer
President and CEO
ONEOK NGL Pipeline, LLC
100 West Fifth Street
Tulsa, Oklahoma 74102-4298

Re: CPF No. 4-2014-5009

Dear Mr. Spencer:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and finds that ONEOK NGL Pipeline, LLC, has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. R.M. Seeley, Director, Southwest Region, Office of Pipeline Safety
Mr. Wes Christensen, Senior Vice President, Operations, ONEOK NGL Pipeline LLC

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)	
)	
ONEOK NGL Pipeline LLC,)	CPF No. 4-2014-5009
)	
Respondent.)	
)	

FINAL ORDER

On multiple occasions between March 4, 2013 and April 25, 2014, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of ONEOK NGL Pipeline, LLC's (ONEOK) Sterling III Pipeline Construction (Sterling) in various locations in Oklahoma. ONEOK began the commissioning of Sterling in March 2014, but several segments of the pipeline and facilities are still under construction. ONEOK is a subsidiary of ONEOK Partners, LP, a publicly traded limited partnership engaged in natural gas gathering and processing, natural gas pipelines and natural gas liquids.¹

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated April 17, 2014, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that ONEOK had committed various violations of 49 C.F.R. Part 195 and proposed ordering Respondent to take certain measures to correct the alleged violations.

ONEOK responded to the Notice by letter dated May 15, 2014 (Response). The company did not contest the allegations of violation but provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

In its Response, ONEOK did not contest the allegations in the Notice that it violated 49 C.F.R. Part 195, as follows:

¹ See <http://www.oneok.com/>, last accessed August 8, 2014.

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.410, which states in relevant part:

§ 195.410 Line Markers.

(a) Except as provided in paragraph (b) of this section, each operator shall place and maintain line markers over each buried pipeline in accordance with the following:

(1) Markers must be located at each public road crossing and in sufficient number along the remainder of each buried line so that its location is accurately known.

The Notice alleged that Respondent violated 49 C.F.R. § 195.410 by failing to install pipeline markers along each buried line so that its location was accurately known. Specifically, the Notice alleged that ONEOK began commissioning segments of the Sterling III pipeline (Tecumseh Pump Station to Latta Pump Station) on or about March 4, 2014, but had not installed sufficient line markers along the buried line so that its location could be accurately known. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.410 by failing to install pipeline markers along each buried line so that its location was accurately known.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 195.434, which states:

§ 195.434 Signs.

Each operator must maintain signs visible to the public around each pumping station and breakout tank area. Each sign must contain the name of the operator and a telephone number (including area code) where the operator can be reached at all times.

The Notice alleged that Respondent violated 49 C.F.R. § 195.434 by failing to install signs visible to the public around each pumping station. Specifically, the Notice alleged that ONEOK began commissioning segments of the Sterling III pipeline (Tecumseh Pump Station to Latta Pump Station) on or about March 4, 2014, but the Latta Pump Station lacked appropriate signage. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.434 by failing to install signs visible to the public around each pumping station.

Item 3: The Notice alleged that Respondent violated 49 C.F.R. § 195.430, which states:

§ 195.430 Firefighting Equipment.

Each operator shall maintain adequate firefighting equipment at each pump station and breakout tank area. The equipment must be –

- (a) In proper operating condition at all times;
- (b) Plainly marked so that its identity as firefighting equipment is clear; and
- (c) Located so that it is easily accessible during a fire.

The Notice alleged that Respondent violated 49 C.F.R. § 195.430 by failing to maintain adequate firefighting equipment at each pump station and breakout tank area. Specifically, the Notice alleged that ONEOK began commissioning segments of the Sterling III pipeline (Tecumseh Pump Station to Latta Pump Station) on or about March 4, 2014, but that the Latta Pump Station lacked appropriate fire extinguishers. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.430 by failing to maintain adequate firefighting equipment at each pump station and breakout tank area.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1, 2, and 3 in the Notice for violations of 49 C.F.R. §§ 195.410, 195.434, and 195.430, respectively. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director acknowledges that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 195.410 (**Item 1**), Respondent has installed line markers on the Sterling III pipeline at the locations that are already in service;
2. With respect to the violation of § 195.434 (**Item 2**), Respondent has installed signs on pipeline facilities already holding or transporting gas; and
3. With respect to the violation of § 195.430 (**Item 3**), Respondent has installed appropriate fire extinguishers at the Latta Pump Station.

Accordingly, I find that compliance has been achieved with respect to these violations. Therefore, the compliance terms proposed in the Notice are not included in this Order.

WARNING ITEM

With respect to Item 4, the Notice alleged probable violations of Part 195 but did not propose a civil penalty or compliance order for this item. Therefore, this is considered to be a warning item. The warning was for:

49 C.F.R. § 195.436 (**Item 4**) — Respondent's alleged failure to provide protection for each pumping station from vandalism and unauthorized entry.

ONEOK presented information in its Response showing that it had taken certain actions to address the cited item. If OPS finds a violation of this provision in a subsequent inspection,

Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order [CPF No. 4-2014-5009] are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued