

**NOTICE OF PROBABLE VIOLATION  
and  
PROPOSED COMPLIANCE ORDER**

**OVERNIGHT EXPRESS DELIVERY**

February 15, 2024

Mr. Matthew C. Lucey  
President and Chief Executive Officer  
PBF Energy Inc.  
1 Sylvan Way, Second Floor  
Parsippany, New Jersey 07054

**CPF 1-2024-004-NOPV**

Dear Mr. Lucey:

From July 25, 2022 to July 29, 2022, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) conducted an on-site inspection of Toledo Refining Company, LLC's (TRC) control room management procedures and records of its Woodville Pipeline Control Room in Toledo, Ohio.

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. § 195.446 Control Room Management.**

**(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section....**

TRC failed to follow its written control room management procedures. Specifically, TRC failed to follow its *Control Room Management Plan* (CRM Plan), Section 6.5 Alarm Management Plan Review in reviewing its alarm management plan to determine its effectiveness. Section 195.446(e)(4) requires that TRC “[r]eview the alarm management plan required by this paragraph at least once each calendar year, but at intervals not exceeding 15 months, to determine the effectiveness of the plan.”

TRC's CRM Plan, Section 6.5 reflects § 195.446(e)(4) requirements and requires a review of its alarm management plan each year, but at intervals not exceeding 15 months to determine the effectiveness of the plan. This review was required to be recorded on Form 195.446(e)(4) per the CRM Plan.

During the inspection, TRC was asked to produce records demonstrating that its alarm management plan was reviewed from 2020 to 2021. TRC produced documentation that indicated its plan was reviewed on May 20, 2019 but was unable to produce any records for 2020 and 2021.

Therefore, TRC failed to follow its written control room management procedures in order to ensure the alarm management plan was reviewed in compliance with § 195.446(e)(4) during 2020 and 2021.

**2. § 195.446 Control Room Management.**

**(a) General.** This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section....

TRC failed to follow its written control room management procedures. Specifically, TRC failed to follow its *Control Room Management Plan*, December 16, 2021 (CRM Plan), Section 6.6 Operator Activity Monitoring (195.446(e)(5)) regarding monitoring the content and volume of general activity being directed to and required of each operator to ensure operators have sufficient time to analyze and react to incoming alarms. Section 195.446(e)(5) requires that TRC "[m]onitor the content and volume of general activity being directed to and required of each controller at least once each calendar year, but at intervals not exceeding 15 months...." TRC's CRM Plan, Section 6.6 reflects § 195.446(e)(5) requirements and requires the general activity review to be performed each calendar year, but at intervals not exceeding 15 months.

During the inspection, TRC was asked to produce records for 2019 to 2022 indicating that they monitored the content and volume of general activity being directed to and required of each controller at least once each calendar year but at intervals not exceeding 15 months, to ensure that its controllers have sufficient time to analyze and react to incoming alarms. TRC did not produce any records to validate that the study had been conducted in 2019, 2020, 2021, or 2022.

Therefore, TRC failed to follow its written control room procedures pursuant to compliance with § 195.446(e)(5) from 2019 to 2022.

**3. § 195.446 Control Room Management.**

**(a) ....**

**(h) Training.** Each operator must establish a controller training program and review the training program content to identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months. An operator's program must provide for training each controller to carry out the roles and responsibilities defined by the operator. In addition, the training program must include the following elements:

**(1) ....**

**(6) Control room team training and exercises that include both controllers and other individuals, defined by the operator, who would reasonably be expected to operationally collaborate with controllers (control room personnel) during normal, abnormal or emergency situations. Operators must comply with the team training requirements under this paragraph no later than January 23, 2018.**

TRC failed to provide team training which included individuals other than controllers who would reasonably be expected to operationally collaborate with controllers during normal, abnormal or emergency situations by the compliance deadline of January 23, 2018. Specifically, TRC failed to provide documentation establishing they complied with the team training requirements in § 195.446(h)(6) by January 23, 2018.

During the inspection, PHMSA requested records showing that TRC had conducted team training before January 23, 2018. The records provided demonstrated that a tabletop training exercise was conducted in October 2020. No other records documenting team training and exercises were submitted.

Therefore, TRC failed to comply with the team training deadline of January 23, 2018 required by § 195.446(h)(6).

#### Proposed Civil Penalty

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 \$2,391,412 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 propose a civil penalty assessment at this time.

#### Proposed Compliance Order

With respect to Item 2, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Toledo Refining Company, LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

### Warning Items

With respect to Items 1 and 3, 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 promptly correct these items. Failure to do so may result in additional enforcement action.

### Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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 your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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 a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 1-2024-004-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Robert Burrough  
Director, Eastern Region, Office of Pipeline Safety  
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*  
*Response Options for Pipeline Operators in Enforcement Proceedings*

## **PROPOSED COMPLIANCE ORDER**

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Toledo Refining Company, LLC (TRC) a Compliance Order incorporating the following remedial requirements to ensure the compliance of TRC with the pipeline safety regulations:

- A. In regard to Item 2 of the Notice pertaining to monitoring the content and volume of general activity being directed to and required of each controller, TRC must conduct a study of the content and volume of general activity being directed to and required of each controller that will ensure that controllers have sufficient time to analyze and react to incoming alarms for calendar year 2024 within 180 days of receipt of the Final Order. TRC must provide a copy of the workload study to Robert Burrough, Director, Eastern Region, PHMSA within 30 days of completion of the study.
- B. It is requested (not mandated) that Toledo Refining Company, LLC maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Robert Burrough, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.