

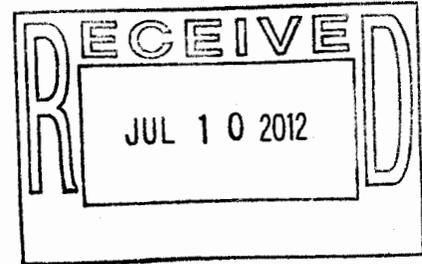


ENTERPRISE PRODUCTS PARTNERS L.P.  
ENTERPRISE PRODUCTS HOLDINGS LLC  
(General Partner)

ENTERPRISE CRUDE PIPELINES, LLC

July 9, 2012

Pipeline and Hazardous Materials Safety Administration  
Office of Pipeline Safety  
8701 South Gessner, Suite 1110  
Houston, TX 77074



Attn: Mr. Rodrick M. Seeley  
Director, Southwest Region

RE: Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order  
dated June 7, 2012 (CPF 4-2012-5023) / Cushing East Terminal

Dear Mr. Seeley,

This letter is in response to the Pipeline and Hazardous Materials Safety Administration (PHMSA) Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order dated June 7, 2012.

**Item #1 - 195.303 Risk-based alternative to pressure testing older hazardous liquid and carbon dioxide pipelines.**

**(c) The program under paragraph (a) of this section shall provide for pressure testing for a segment constructed of electric resistance-welded (ERW) pipe and lapwelded pipe manufactured prior to 1970 susceptible to longitudinal seam failures as determined through paragraph (d) of this section. The timing of such pressure test may be determined based on risk classifications discussed under paragraph (b) of this section. For other segments, the program may provide for use of a magnetic flux leakage or ultrasonic internal inspection survey as an alternative to pressure testing and, in the case of such segments in Risk Classification A, may provide for no additional measures under this subpart.**

*Enterprise failed to perform a pressure test as required on the pre-1970 ERW pipe designated as the Shell 8-inch pipeline.*

*PHMSA was provided an informational package from Enterprise's (EPCO) that was used to provide information for the metallurgical lab (Email from Neal Burrell dated March 8, 2011). In this package, within the Background Information section, EPCO noted that they did not have a Date, Test Pressure, and Duration of the most recent hydrostatic test. In an email dated January 27, 2012, EPCO again notes that pressure tests have not been performed. Finally, in Accident Report, 20110206, G5, paragraph 6, Enterprise notes that a pressure test has not been performed.*

Enterprise response to NOPV Item #1 and Proposed Compliance Order:

The 8" Shell crude pipeline was approximately 150 feet in length and configured to transport product from an Enterprise operated manifold at Cushing East storage to a Shell operated manifold also located on Cushing East storage property. At the time of the release, this pipeline was idle. Immediately following the release, the pipeline was purged, capped on one end and securely isolated from the rest of the system. Enterprise had no business plans to return this line to service, thus did not initiate actions to complete a hydrostatic test of the 8" Shell crude pipeline following this incident. On June 21, 2012, the 8" Shell crude pipeline was completely disconnected, excavated and removed from the ground in its entirety.

On the basis that Enterprise had idled the 8" Shell crude pipeline and has since removed the line in its entirety from our system, Enterprise requests that NOPV Item #1 be eliminated and the Proposed Compliance Order be rescinded.

**Item #2 – 195.402 Procedural manual for operations, maintenance, and emergencies.**

**(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations.**

**(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

*Enterprise failed to prepare and follow a procedure for performing a 'line wash' (purging) over to Cushing West terminal. Failure to have and follow a procedure for this operations and maintenance task resulted in Enterprise lining up the delivery piping system incorrectly. This misalignment resulted in the delivery being pumped against a closed valve and a subsequent failure of the system resulting in a release of approximately 600 barrels of crude oil.*

Enterprise Response to Item #2:

Enterprise has taken the following corrective measures in response to this incident:

- 290 operating procedures are being developed (current delivery, receipt, and tank-to-tank movements) for the Cushing East and Cushing West facilities at an estimated expense of \$171,000. 129 of these procedures have been completed. 60 of these procedures are in draft form and currently in the review and approval process. The remaining 101 procedures are pending development.

- Completed project to ensure manifold valves are labeled for identification.
- Revised the operator training program to require a field verification walk-through and approval by the trainer.

Enterprise requests that the proposed \$100,000 penalty in Item #2 of this NOPV be removed or reduced in consideration of the costs incurred to develop the site operating procedures to date. Enterprise commits to continued efforts to finalize site operating procedures and request that any proposed penalties assessed take these efforts and expenditures into consideration.

Enterprise appreciates the opportunity to work with PHMSA regarding the safe operation of our pipelines.

Sincerely,



Kevin Bodenhamer  
Senior Vice President, EHS&T