

FEB 29 2012

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

In the Matter of)

Enterprise Products Operating, LLC,)

Respondent.)

CPF No. 4-2011-5015S

CONSENT AGREEMENT

On September 29, 2011, the Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), issued a Notice of Proposed Safety Order (Notice) to Enterprise Products Operating, LLC (Enterprise or Respondent). The Notice alleged that it appeared a condition exists on a 28-mile portion of Respondent's natural gas liquids pipeline, known generally as the Dixie Pipeline, which poses a pipeline integrity risk to public safety, property, or the environment. The Dixie Pipeline is primarily used to transport liquid propane from Texas to customers in Georgia and South Carolina.

Specifically, the Notice referenced the 28-mile segment of the Dixie Pipeline, extending from the Breaux Bridge Pump Station to the Maringouin Pump Station in South-Central Louisiana (Affected Pipeline Segment). The Notice alleged that the Affected Pipeline Segment is located in the Atchafalaya Basin, and that this environmentally sensitive wetlands area recently experienced a prolonged period of unanticipated flooding. The Notice alleged that Enterprise has been unable to perform a required integrity assessment of the Affected Pipeline Segment under 49 C.F.R. § 195.452(j)(3) because of such flooding and that propane supply disruptions could potentially result from any test failures or needed repairs. The Notice stated, however, that Enterprise reduced the operating pressure of the Affected Pipeline Segment by 20 percent as a temporary preventive and mitigative measure.

On October 10, 2011, Enterprise responded to the Notice and requested an informal conference. Respondent and PHMSA (collectively, the Parties) met on November 16, 2011, and have since engaged in good-faith settlement discussions. The Parties have concluded those discussions and agree that the settlement set forth in this Consent Agreement will avoid further administrative proceedings or litigation. The Parties further agree that the entry of this Consent Agreement is the most appropriate means of resolving the Notice, without adjudication of any issue of fact or law. Accordingly, the Parties agree as follows:

I. General Provisions

1. Enterprise acknowledges that as operator of the Dixie Pipeline, Respondent and the subject pipeline are subject to the jurisdiction of the Federal pipeline safety laws, 49 U.S.C. 60101 *et seq.*, and the regulations and administrative orders issued thereunder. For purposes of this Consent Agreement, Respondent acknowledges that it received proper notice of PHMSA's action in this proceeding and that the Notice states claims upon which relief may be granted pursuant to 49 U.S.C. 60101 *et seq.* and the regulations and orders issued thereunder.

2. Respondent neither admits nor denies any allegation or conclusion in the Notice but agrees, for purposes of this proceeding, that the integrity risk identified in the Notice exists as described in the Notice and agrees to address it by completing the corrective actions specified in Section II of this Consent Agreement, including the actions set forth in any work plans and schedules, each of which shall automatically be incorporated into this Consent Agreement upon approval. Respondent's participation in this Consent Agreement does not constitute an admission of liability for any purpose except in a proceeding to enforce the provisions of this Agreement.

3. After Respondent returns this signed Consent Agreement, PHMSA's representative will present it to the Associate Administrator for Pipeline Safety, PHMSA (Associate Administrator), recommending that the Associate Administrator adopt the terms of this Agreement by issuing an administrative order (Consent Order) incorporating the terms of this Consent Agreement. The terms of this Consent Agreement constitute an offer of settlement until accepted by the Associate Administrator. Upon the effective date of this Consent Agreement, any request for a hearing submitted by Respondent shall be automatically withdrawn.

4. Respondent consents to the issuance of the Consent Order, and hereby waives any further procedural requirements with respect to its issuance. Except as provided in Sections III and IV of this Agreement, Respondent waives all rights to contest the adequacy of notice, or the validity of the Consent Order or this Consent Agreement, including all rights to administrative or judicial hearings or appeals.

5. This Consent Agreement shall apply to and be binding upon PHMSA, and upon Respondent, its officers, directors, and employees, and its successors, assigns, or other entities or persons otherwise bound by law. Respondent agrees to provide a copy of this Consent Agreement and any incorporated work plans and schedules to all of Respondent's officers, employees, and agents whose duties might reasonably include compliance with this Agreement.

6. For all transfers of ownership or operating responsibility of the Dixie Pipeline, Respondent shall provide a copy of this Consent Agreement to the prospective transferee at least 30 days prior to such transfer and simultaneously provide written notice of the prospective transfer to the PHMSA Southwest Region Director (Director).

7. This Consent Agreement constitutes the final, complete and exclusive agreement and understanding between the Parties with respect to the settlement embodied in this Agreement, and the Parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Agreement, except that the terms of this Agreement may be construed by reference to the Notice.

8. Nothing in this Consent Agreement affects or relieves Respondent of its responsibility to comply with all applicable requirements of the Federal pipeline safety laws, 49 U.S.C. § 60101 *et seq.*, and the regulations and orders issued thereunder. Nothing in this Consent Agreement alters PHMSA's right of access, entry, inspection, and information gathering or PHMSA's authority to bring any enforcement action against Respondent pursuant to the Federal pipeline safety laws, the regulations and orders issued thereunder, or any other provision of Federal or State law.

9. This Consent Agreement does not waive or modify any Federal, State, or local laws or regulations that are applicable to Respondent's pipeline systems. This Consent Agreement is not a permit, or a modification of any permit, under any Federal, State, or local laws or regulations. Respondent remains responsible for achieving and maintaining compliance with all applicable Federal, State, and local laws, regulations and permits.

10. This Consent Agreement does not create rights in, or grant any cause of action to, any third party not party to this Agreement. The U.S. Department of Transportation is not liable for any injuries or damages to persons or property arising from acts or omissions of Respondent or its officers, employees, or agents carrying out the work required by this Consent Agreement. Respondent agrees to indemnify and hold harmless the U.S. Department of Transportation, its officers, employees, agents, and representatives from any and all causes of action arising from any acts or omissions of Respondent or its contractors in carrying out the work required by this Agreement.

II. Corrective Actions

11. Enterprise must maintain a twenty percent (20%) pressure reduction on the Affected Pipeline Segment until the Director provides approval to return the pipeline to normal operating conditions. Specifically, the pressure in this segment is not to exceed 1117 psig.

12. Enterprise will continue the weekly patrols on the Affected Pipeline Segment until the corrective actions specified in this section are implemented and complete. At that point, Enterprise will return to the normal routine patrol schedule as required by 49 CFR §195.412(a).

13. Within 60 days, Enterprise must develop a plan and schedule for completion of the required integrity testing as soon as practicable. The work must be scheduled as soon as the conditions delaying the testing have abated and the plan must include timeframes for making any needed repairs based on the test results. Submit the plan and schedule, and any subsequent

revisions to that schedule, to the Director for approval. In the absence of good cause shown, the actions required under this paragraph must be completed no later than September 31, 2012.

14. As soon as conditions permit, Enterprise must inspect each crossing under a navigable waterway along the Affected Pipeline Segment to determine the condition of the crossing as normally required by 195.412(b), report those findings to the Director, and submit a proposed plan to take potential actions based on any adverse findings.

15. As soon as conditions permit, Enterprise must inspect for all required pipeline marker signs as defined by § 195.434 and replace any damaged or missing signs as soon as practicable.

16. Submit quarterly reports to the Director that include available data and results of the investigations and surveys required by this Consent Agreement. The first quarterly report is due 90 days after the Consent Order is issued.

17. The Director may grant an extension of time for compliance with any of the terms of this Consent Agreement upon a written request timely submitted demonstrating good cause for an extension.

18. Respondent may appeal any decision of the Director to the Associate Administrator. Decisions of the Associate Administrator shall be final.

19. It is requested (not mandated) that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Consent Agreement and submit the total to the Director. These safety improvement costs will be determined by Respondent to meet the requirements of the Consent Agreement and may include, but not limited to, right-of-way maintenance, additional patrolling, liaison with landowners, and development of the plan and schedule described in paragraph 13.

III. Review and Approval Process

20. With respect to any submission under Section II of this Agreement that requires the approval of the Director, the Director may: (a) approve, in whole or in part, the submission, (b) approve the submission on specified conditions, (c) disapprove, in whole or in part, the submission, or (d) any combination of the foregoing. In the event of approval, approval in part, or approval upon conditions, Respondent will proceed to take all action required by the submission as approved by the Director, subject to Respondent's right to invoke the dispute resolution procedures in Section IV with respect to any conditions identified by the Director. In the event that the Director disapproves all or any portion of the submission, the Director will provide Respondent with a written notice of the deficiencies. Respondent will correct all deficiencies within the time specified by the Director and resubmit it for approval, subject to Respondent's right to invoke the dispute resolution procedures in Section IV with respect to any conditions identified by the Director.

IV. Dispute Resolution

21. The Director and Respondent will informally attempt to resolve any disputes arising under this Agreement. If Respondent and the Director are unable to informally resolve the dispute within 15 days, Respondent may request in writing, within 10 days, a written determination from the Associate Administrator resolving the dispute and provide all information that Respondent believes is relevant to the dispute. If the request is submitted as provided herein, the Associate Administrator will issue a written decision, which shall be final. The existence of a dispute and PHMSA's consideration of matters placed in dispute shall not excuse, toll, or suspend any term or timeframe for completion of any work to be performed under this Consent Agreement during the pendency of the dispute resolution process, except as agreed by the Director or the Associate Administrator in writing.

V. Enforcement

22. This Consent Agreement, as adopted by the Consent Order, is subject to all enforcement authorities available to PHMSA under 49 U.S.C. § 60101 *et seq.* and 49 C.F.R. Part 190, including administrative civil penalties under § 60122, if PHMSA determines that Respondent is not materially proceeding in accordance with terms of this Agreement, with determinations made by the Director, or, if such determinations are appealed, with decisions of the Associate Administrator. All work plans and associated schedules set forth or referenced in Section II shall be automatically incorporated into this Agreement and are enforceable in the same manner.

VI. Record Keeping and Information Disclosure

23. Respondent agrees to maintain records demonstrating compliance with all requirements of this Agreement for a period of at least five years following completion of all work to be performed. For any reports, plans, or other deliverables required to be submitted to PHMSA pursuant to this Agreement, Respondent may assert a claim of business confidentiality or other protections applicable to the release of information by PHMSA, covering part or all of the information required to be submitted to PHMSA pursuant to this Agreement in accordance with 49 C.F.R. Part 7. The claim of confidentiality shall be marked in writing on each page, and shall include a statement specifying the grounds for each claim of confidentiality. PHMSA shall determine release of any information submitted pursuant to this Consent Agreement in accordance with 49 C.F.R. Part 7, the Freedom of Information Act, 5 U.S.C. § 552, DOT and/or PHMSA policies, and other applicable regulations and Executive Orders.

VII. Effective Date

24. The Effective Date as used herein is the date on which this Consent Agreement has been signed by both Respondent and PHMSA. Unless specified to the contrary, all deadlines for actions required by this Agreement run from the date of issuance of the Consent Order adopting this Agreement.

VIII. Modification

25. The terms of this Agreement may be modified by mutual agreement of the Parties. Such modifications shall be in writing and shall be signed by both Parties.

IX. Termination

26. This Consent Agreement will terminate upon the completion of all terms set forth in Section II. Respondent may request written confirmation from PHMSA when this Agreement is terminated. To the extent ongoing monitoring is required, PHMSA may terminate this Agreement with respect to all other requirements with the exception of such monitoring. Nothing in this Agreement prevents Respondent from completing any of the obligations earlier than the deadlines provided for herein.

X. Ratification

27. The Parties' undersigned representatives certify that they are fully authorized to enter into the terms and conditions of this Consent Agreement and to execute and legally bind such party to this document.

28. The Parties hereby agree to all conditions and terms of this Consent Agreement:

For PHMSA:

For Respondent:



Mr. R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials
Safety Administration



Mr. Kevin Bodenhamer
Sr. Vice President
Enterprise Products Operating, LLC

2/14/12
Date

2-17-12
Date