

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 2, 2016

Mr. Ryan Coffey
Executive Vice President
Energy Transfer Company
800 E. Sonterra Blvd., Ste. 400
San Antonio, TX 78258

CPF 4-2016-5017M

Dear Mr. Coffey:

Between July 27 – August 11, 2015, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Energy Transfer Company (ETC) records and procedures for Operations and Maintenance and the Integrity Management Plan at the Houston, TX. office.

On the basis of the inspection, PHMSA has identified an apparent inadequacy found within the ETC plans or procedures, as described below:

1. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(e) Emergencies. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:

(8) In the case of failure of a pipeline system transporting a highly volatile liquid, use of appropriate instruments to assess the extent and coverage of the vapor cloud and determine the hazardous areas.

PHMSA inspectors reviewed Energy Transfer's Procedure No.: HLA.08, 'Field Emergency Response Procedure', Section 7.4; dated 8/15/2014. This process is inadequate. The procedure

lacks specificity for determining the extent and coverage of a vapor cloud in a hazardous area of HVLs by use of appropriate instruments.

Energy Transfer must revise its procedure to include the following as minimum:

- 1) The type of instruments that must be used for HVL products spill.
- 2) How to use the equipment to determine vapor cloud extension.
- 3) Qualification required for using the instrument and
- 4) Guidance on how to determine the initial possible extent of the vapor cloud so that personnel could begin monitoring of the actual vapor cloud safely from outside the limits of the vapor clouds.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). 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, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 45 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that ETC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2016-5017M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*