

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

VIA CERTIFIED MAIL AND BY FACSIMILE TO: 713-381-8056

October 28, 2009

Mr. Terry Hurlburt
Vice President – Operations
Enterprise Products Operating LLC
1100 Louisiana Street
Houston, TX 77002

CPF 3-2009-5022

Dear Mr. Hurlburt:

On September 11, 2007, the Pipeline and Hazardous Materials Safety Administration (PHMSA) was notified by the National Response Center (Report No. 848445) of an accident involving a hazardous liquid pipeline operated by Enterprise Products Operating LLC (Enterprise). The accident occurred on Enterprise's 12-inch "Brown" line in Clark County Kansas, approximately three miles north of Englewood, KS at Mile Post (MP) 362. The failure resulted in the release of approximately 14,763 barrels of a highly volatile liquid, specifically Y-grade de-methanized natural gas liquid (NGL) mix. As a result of this failure State Highway 283 was closed for five days.

The subsequent investigation confirmed that the cause of the release was the failure of a threaded connection on 2-inch diameter bypass piping. The 2-inch diameter bypass was installed on the 12-inch Brown line approximately 10 hours before the failure on September 10, 2007, after a maintenance pig became lodged in the mainline valve setting at Mile Post 362.

As a result of our investigation of this accident, it appears that you have committed probable violations of the pipeline safety regulations, Title 49, Code of Federal Regulations. The probable violations are:

1. §195.422 Pipeline Repairs.

(a) Each operator shall, in repairing its pipeline systems, insure that the repairs are made in a safe manner and are made so as to prevent damage to persons or property.

Enterprise did not insure that the installation of the bypass, as part of the repair effort to remove the lodged maintenance pig, was made in a safe manner so as to prevent damage. As evidenced by the failure shortly after installation that resulted in the release of NGL and property damage, the repair was not made in a safe manner and was inadequate to prevent damage.

The 2-inch diameter bypass piping was installed on September 10, 2007, to allow product flow around the lodged pig. To accomplish removal of the lodged pig and repair of the pipeline, Enterprise intended to weld stopple fittings to the 12-inch Brown line while product was flowing through the 2-inch bypass.

The post-accident failure analysis concluded that the connection of a 2-inch ball valve to a 2-inch fitting was incorrectly installed resulting in damage to the threads. This damaged threaded connection failed at approximately 12:13 a.m. on September 11, 2007, resulting in over 14,000 barrels released from the pipeline.

2. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

(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 did not include written procedures in its Operations and Maintenance manual that provide for adequate safety when installing threaded pipefittings in connection with performing maintenance and repairs to its pipeline system. Written procedures for pipefitting are necessary to assure safety when conducting maintenance and repair activities.

3. §195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a) Identify covered tasks;

Enterprise did not include pipefitting in the list of covered tasks as part of its Operator Qualification program. The assembly of threaded pipe connections would be part of the pipefitting task. Pipefitting is an operations and maintenance task performed on the pipeline that affects pipeline operation and integrity, and is required by §195.422.

4. §195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

The personnel that installed the 2-inch bypass piping were not evaluated to ensure that they were qualified to perform pipefitting (the task of joining pipe using threaded connections). The pipefitting task was completed on September 10, 2007, approximately 10 hours prior to the failure. Enterprise indicated that nine individuals were involved in performing the installation of the 2-inch bypass piping.

5. §199.105 Drug tests required.

Each operator shall conduct the following drug tests for the presence of a prohibited drug:

(b) Post-accident testing. As soon as possible but no later than 32 hours after an accident, an operator shall drug test each employee whose performance either contributed to the accident or cannot be completely discounted as a contributing factor to the accident. An operator may decide not to test under this paragraph but such a decision must be based on the best information available immediately after the accident that the employee's performance could not have contributed to the accident or that, because of the time between that performance and the accident, it is not likely that a drug test would reveal whether the performance was affected by drug use.

Enterprise did not conduct post-accident drug testing of the nine employees that were involved with installation of the 2-inch bypass. The installation of the 2-inch bypass piping was completed at approximately 2:00 p.m. on September 10, 2007, and the failure of the bypass piping occurred at 12:13 a.m. on September 11, 2007. Due to the timing of the accident shortly after installation of the bypass piping, employee performance could not be completely discounted as a contributing factor to the accident. Additionally, there was not a sufficiently long period of time between installation of bypass and the accident to conclude that a drug test would not likely reveal whether employee performance was affected by drug use.

Review of the accident confirmed that employee performance contributed to the accident because a threaded connection was damaged by personnel on September 10,

2007 during installation of the bypass. Enterprise indicated that twelve persons were involved with planning, supervising and installing the 2-inch bypass.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$466,200 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$100,000
2	\$133,100
4	\$133,100
5	\$100,000

Proposed Compliance Order

With respect to items 2, 3, and 4 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Enterprise Products Operating LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

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 in your correspondence on this matter, please refer to **CPF 3-2009-5022** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Ivan A. Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration

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

PROPOSED COMPLIANCE ORDER

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

1. In regard to Item Number 2 of the Notice pertaining to the lack of written procedures, Enterprise must prepare and submit written procedures for pipefitting. Pipefitting includes, but is not limited to; making and/or connecting threaded pipe and components, assembling flanged pipe and components, coupled connections, bending and/or connection of instrument and control tubing, and inspections of completed pipefitting assemblies. The procedures shall also include, but not be limited to, description of the following: minimum pipe and component strength, minimum pressure ratings and dimensions of pipe and components, maximum unsupported length of completed assemblies, and other requirements necessary to assure that completed assemblies conform to 49 CFR Part 195.
2. In regard to Item Number 3 of the Notice pertaining to inclusion of pipefitting as a covered task, Enterprise must identify and add to its covered task list any and all tasks associated with pipefitting. Pipefitting task(s) are as described in Item 1 above of the Proposed Compliance Order. The identification of pipefitting task(s) must be in conformance with the requirements of 49 CFR Part 195, Subpart G – Qualification of Pipeline Personnel.
3. In regard to Item Number 4 of the Notice pertaining to evaluation and qualification of employees to perform pipefitting, Enterprise must prepare and submit a written evaluation and qualification program for pipefitting in conformance with the requirements of 49 CFR Part 195, Subpart G – Qualification of Pipeline Personnel.
4. In regard to Item Number 4 of the Notice pertaining to evaluation and qualification of employees to perform pipefitting, Enterprise must complete the training, evaluation, and qualification of all personnel who will perform pipefitting tasks on its pipeline.
5. Items 1, 2, and 3 of the Proposed Compliance Order must be completed and submitted for approval by the Director, Central Region, PHMSA within 30 days after receipt of the Final Order.
6. Item 4 of the Proposed Compliance Order must be completed and documented within 90 days after receipt of the Final Order. Enterprise shall submit documentation to the Director, Central Region, PHMSA demonstrating that training, evaluation, and qualification of personnel is complete.
7. Enterprise shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Ivan A. Huntoon, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. Costs shall 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.