

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

September 29, 2011

Mr. Kevin Bodenhamer  
Sr. Vice President, Liquid Pipeline Operations  
Enterprise Products Operating, LLC  
P. O. Box 4324  
Houston, Texas 77210-4324  
1100 Louisiana Street  
Houston, Texas 77002-5227

**CPF 4-2011-5015S**

Dear Mr. Bodenhamer:

Enclosed is a Notice of Proposed Safety Order (Notice) issued in the above-referenced case. The Notice proposes that you take certain measures with respect to the portion of your Dixie Pipeline running from the Breaux Bridge Pump Station to the Maringouin Pump Station to ensure pipeline safety. Your options for responding are set forth in the Notice. Your receipt of the Notice constitutes service of that document under 49 C.F.R. § 190.5.

We look forward to a successful resolution to ensure pipeline safety. Please direct any questions on this matter to me at 713-272-2852.

Sincerely,

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

Enclosure: Notice of Proposed Safety Order  
49 C.F.R. § 190.239

**DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
Southwest Region  
Houston, Texas 77074**

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<b>In the Matter of</b>	)	
	)	
<b>Enterprise Products Operating, LLC,</b>	)	<b>CPF No. 4-2011-5015S</b>
	)	
<b>Respondent</b>	)	
	)	

**NOTICE OF PROPOSED SAFETY ORDER**

**Background and Purpose**

Pursuant to Chapter 601 of title 49, United States Code, the Pipeline and Hazardous Materials Safety Administration (PHMSA) has initiated an inquiry into the safety of your 10-Inch hazardous liquid pipeline known as the Dixie Pipeline which primarily transports HD-5 propane.

As a result of information Enterprise Products Operating, LLC (Enterprise) filed with this office dated August 23, 2011 and subsequent inquiries by PHMSA staff, it appears that a condition or conditions exist on the 28 mile portion of the Dixie Pipeline running from the Breaux Bridge Pump Station to the Maringouin Pump Station that pose a pipeline integrity risk to public safety, property or the environment. Pursuant to 49 U.S.C. § 60117(1), PHMSA issues this Notice of Proposed Safety Order, notifying you of the preliminary findings of the investigation, and proposing that you take measures to ensure that the public, property, and the environment are protected from the potential risk.

**Preliminary Findings**

- Enterprise is the owner of the Dixie Pipeline which primarily transports HD-5 propane from Texas to Georgia and South Carolina. By letter dated August 23, 2011, Enterprise reported that it will be unable to complete a required integrity re-assessment on the Breaux Bridge to Maringouin segment, consisting of a spike test followed by a Subpart E hydrostatic test, as required by 49 CFR 195.452(j)(3) due to right-of-way conditions impeding the completion of the planned hydrostatic testing. The primary cause of the delay is the unexpected and prolonged flooding in the Atchafalaya Basin, which would

prevent repairs in the event of a hydrostatic test failure, and potentially result in interruptions in service to the meet agricultural and heating needs in the southern states.

- In its notification, Enterprise explained that it had completed a pressure test of up to 100% of the maximum operating pressure (MOP). That test, however, is not a valid hydrostatic test and is not above normal operating pressures which is necessary to fully assess the integrity of the pipeline and meet the applicable requirements.
- The Dixie Pipeline was constructed in 1962 with modifications made up through 2006 with 10.75 inch, 5L, X52, low-frequency electric resistance welded (ERW) and high frequency ERW pipe, 0.219-inch, 0.279-inch, 0.307-inch, 0.365-inch and 0.500-inch W.T. pipe. The pipeline is coated with Coal Tar Enamel, Somastic, and Fusion Bond Epoxy (FBE) coating and is cathodically protected with impressed current rectifiers.
- The Breaux Bridge to Maringouin segment traverses an environmentally sensitive wetland area known as the Atchafalya Swamp comprised of flat and swampy terrain typical of Louisiana coastal areas. Soils range for clay to marshy wetlands, and the pipeline crosses the Atchafalaya River, a navigable waterway.
- Enterprise has not provided all of the necessary metallurgical analyses of prior failed pipe segments in order to properly evaluate the overall potential risk of the pipeline and the overall condition of the coating is unknown. Adjacent pipeline segments have experienced numerous seam failures during hydrostatic spike tests, including several failures that occurred well below the required hydrostatic test pressure. These failures both underscore the concern for testing in an area where repairs would be difficult to make and the need to discover and remove these flaws in the pipeline, which is the purpose of the hydrostatic test.
- When the spike test and hydrostatic testing is conducted, this segment is likely to experience ruptures of the pipeline due to seam flaws based on the seam failure history of adjacent segments and the known susceptibility of ERW pipe to seam failures.
- Enterprise has voluntarily taken a 20% pressure reduction from an MOP of 1397 psig to 1117 psig until such time as the required hydrostatic test and integrity assessment work can be completed. Enterprise proposed a temporary 20% pressure reduction as a preventive and mitigative measure.

### **Proposed Issuance of Safety Order**

Section 60117(l) of Title 49, United States Code, provides for the issuance of a safety order, after reasonable notice and the opportunity for a hearing, requiring corrective measures, which may include physical inspection, testing, repair, or other action, as appropriate. The basis for making the determination that a pipeline facility has a condition or conditions that pose a pipeline integrity risk to public safety, property, or the environment is set forth both in the above-referenced statute and 49 C.F.R. § 190.239, a copy of which is enclosed.

After evaluating the foregoing preliminary findings of fact and considering the delay in fully complying with pipeline integrity testing requirements, age and manufacture of the pipe involved, the hydrostatic test failures and required repairs on adjacent pipeline segments, the lack of metallurgical analyses for failed pipe, the hazardous nature of the product to be transported and the pressure required for transporting such product, the location of the pipeline in a sensitive wetland area, the characteristics of the geographical areas where the pipeline facility is located, and the likelihood that the conditions could develop on this segment and potentially impact its serviceability, it appears that the affected pipeline facility has a condition or conditions that pose a pipeline integrity risk to public safety, property, or the environment, requiring corrective action.

Accordingly, PHMSA issues this Notice of Proposed Safety Order to notify Respondent of the proposed issuance of a safety order and to propose that Respondent take measures specified herein to address the potential risk.

### **Response to this Notice**

In accordance with § 190.239, you have 30 days following receipt of this Notice to submit a written response to the official who issued the Notice. If you do not respond within 30 days, this constitutes a waiver of your right to contest 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 Safety Order with the corrective measures listed below. In your response, you may notify that official that you intend to comply with the terms of the Notice as proposed, or you may request that an informal consultation be scheduled (you will also have the opportunity to request an administrative hearing before a safety order is issued). Informal consultation provides you with the opportunity to explain the circumstances associated with the risk condition(s) alleged in the notice and, as appropriate, to present a proposal for a work plan or other remedial measures, without prejudice to your position in any subsequent hearing. If you and PHMSA agree within 30 days of informal consultation on a plan and schedule for you to address each identified risk condition, we may enter into a written consent agreement (PHMSA would then issue an administrative consent order incorporating the terms of the agreement). If a consent agreement is not reached, or if you have elected not to request informal consultation, you may request an administrative hearing in writing within 30 days following receipt of the Notice or within 10 days following the conclusion of an informal consultation that did not result in a consent agreement, as applicable. Following a hearing, if the Associate Administrator finds the facility to have a condition that poses a pipeline integrity risk to the public, property, or the environment in accordance with § 190.239, the Associate Administrator may issue a safety order

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).

In your correspondence on this matter, please refer to **CPF 4-2011-5015S** and for each document you submit, please provide a copy in electronic format whenever possible.

### **Proposed Corrective Measures**

Pursuant to 49 U.S.C. § 60117(l) and 49 C.F.R. § 190.239, PHMSA proposes to issue to Enterprise, a safety order incorporating the following remedial requirements with respect to the Breaux Bridge to Maringouin segment of the Dixie Pipeline:

1. Enterprise must maintain a twenty percent (20%) pressure reduction on the Breaux Bridge to Maringouin segment until the Director, Southwest Region, PHMSA (Director) provides approval to return the pipeline to its maximum operating pressure (MOP). Specifically, the pressure in this segment is not to exceed 1117 psig.
2. Enterprise must increase its routine patrols on the Breaux Bridge to Maringouin segment from every three weeks as normally required by 49 C.F.R. § 195.412(a) to weekly patrols until the corrective measures are implemented and complete.
3. Within 60 days after a safety order is issued, Enterprise must develop a plan and schedule for completion of the required integrity testing as expeditiously as possible. 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.
4. As soon as conditions permit, Enterprise must inspect each crossing in the affected segment under a navigable waterway 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.
5. As soon as conditions permit, Enterprise must inspect for all required signs as defined by 195.434 and replace any damaged or missing signs as soon as practical.
6. Submit quarterly reports to the Director that include available data and results of the investigations and surveys required by the safety order. The first quarterly report is due 90 days after the safety order is issued.
7. The Director may grant an extension of time for compliance with any of the terms of the safety order upon a written request timely submitted demonstrating good cause for an extension.
8. Respondent may appeal any decision of the Director to the Associate Administrator for Pipeline Safety. Decisions of the Associate Administrator shall be final.

9. It is requested (not mandated) that Enterprise maintain documentation of the safety improvement costs associated with fulfilling the safety order and submit the total to R. M. Seeley, Director, Southwest Region, PHMSA. 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.

The actions proposed by this Notice of Proposed Safety Order are in addition to and do not waive any requirements that apply to Respondent's pipeline system under 49 C.F.R. Parts 190 through 199, under any other order issued to Respondent under authority of 49 U.S.C. § 60101 et seq., or under any other provision of Federal or state law.

After receiving and analyzing additional data in the course of this proceeding and implementation of the work plan, PHMSA may identify other safety measures that need to be taken. In that event, Respondent will be notified of any proposed additional measures and, if necessary, amendments to the work plan or safety order.

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

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Date issued