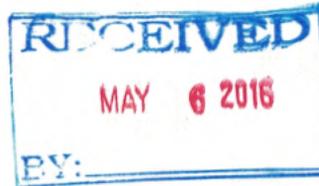




ENERGY TRANSFER

Energy Transfer Company  
1300 Main Street  
Houston, Texas 77002  
713.857.5479 (Cell)  
Nathan.Hlavaty@energytransfer.com



April 29, 2016

Mr. R.M. Seeley  
Director, Southwest Region  
Pipeline Hazardous Materials Safety Administration (PHMSA) Office of Pipeline Safety  
8701 South Gessner, Suite 1110  
Houston, TX, 77074

RE: CPF No. 4-2016-5009  
Energy Transfer Partners - Notice of Probable Violation and Proposed Civil Penalty

Dear Mr. Seeley,

Energy Transfer Company acknowledges receipt of the PHMSA Notice of Probable Violation and Proposed Civil Penalty dated April 11, 2016.

Just months prior to the PHMSA inspection of August 4–6, 2015, Energy Transfer Company acquired the former Regency assets and we were in the process of integrating the Standard Operating Procedures (SOPs) used by the two entities into a single and unified set of SOPs.

Regarding Item 1, per SOP HLA.03, section 4.0, Energy Transfer documents an Annual OQ Work History Review to demonstrate periodic review of the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance activities and take corrective action when deficiencies are found.

Regarding Item 2, ensure through evaluation that individuals performing covered tasks are qualified, as mentioned, once Energy Transfer determined that the pilot was not qualified on the dates mentioned, he was terminated from conducting aerial patrols.

Per the Procedures for Responding to a Notice of Probable Violation: Energy Transfer is not contesting any violations alleged in the Notice, the wire transfer payment has been submitted for the assessed civil penalty in the amount of \$24,400.

Sincerely,

Nathan Hlavaty  
Director – Interstate Regulatory Compliance  
Energy Transfer Partners