



By Electronic Mail

May 27, 2021

Ms. Mary McDaniel, P.E.
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration
US Department of Transportation
8701 South Gessner, Suite 630
Houston, Texas 77074

Re: Transwestern Pipeline Company, LLC
Notice of Probable Violation and Proposed Compliance Order
CPF 4-2021-038-NOPV

Dear Ms. McDaniel:

Pursuant to 49 C.F.R. Part 190.208, Transwestern Pipeline Company, LLC (TW or Company) submits this written response to a Notice of Probable Violation (NOPV) and Proposed Compliance Order (PCO) issued on April 27, 2021, by the Pipeline and Hazardous Materials Safety Administration (PHMSA). PHMSA's NOPV alleges two (2) violations and includes a PCO proposing remedial requirements to address one (1) of the probable violations.

The NOPV, received by TW on April 27, 2021, provided for 30 days following receipt to submit written comments, thus this response is timely. While TW neither admits to nor denies the allegations, the Company is not contesting the NOPV or PCO and is providing this written response to explain the Company's efforts to resolve the underlying issues identified in the NOPV. TW is a wholly owned subsidiary of Energy Transfer Company (ET).

PHMSA NOPV

By way of background, this enforcement action was issued following an inspection by PHMSA and the Arizona Corporation Commission (ACC) of the Transwestern pipeline system in Arizona, California, New Mexico, and Texas over the time period of July 13, 2020 through September 30, 2020.

The two (2) allegations in the NOPV concern external corrosion control requirements set forth in 49 C.F.R. Part 192.465 and 192.471 respectively. Specifically, PHMSA alleges that TW failed to take prompt remedial action to correct pipe-to-soil potential deficiencies and maintain a test lead in a mechanically secure and electrically conductive manner.

To address the alleged violation of 49 C.F.R. Part 192.739, PHMSA proposes to issue TW a PCO that would require the Company to produce a remedial work/maintenance plan that will ensure the pie-to-soil potentials in the applicable segment of the WTX 30-Inch Loop will consistently meet the minimum requirements of 49 C.F.R. Part 192.463. The PCO requires this plan be submitted to PHMSA within 60 days of the receipt of the Final Order and documentation confirming the remediation has been completed must be submitted to PHMSA within 180 days of receipt of the Final Order.

Mary McDaniel, Director

May 27, 2021

Page 2

With respect to the alleged violation of 49 C.F.R. Part 192.471, PHMSA has reviewed the circumstances and supporting documents and decided not to pursue additional enforcement or penalty assessment proceedings and issued this as a Warning Item. For this item, TW has taken efforts to successfully resolve the issues as detailed in the NOPV.

In advance of receipt of the NOPV the Company has completed actions to address and successfully remediate the items subject to the alleged violations of 49 C.F.R. Part 192.739 and 192.471. Specifically, the Company has:

1. *In accordance with PCO Item 1.a*, TW has developed a maintenance plan to ensure the pipe-to-soil potentials in the segment of the WTX 30-Inch Loop will consistently meet the minimum requirements of 49 C.F.R. Part 192.463. Specifically, and according to the plan, the company has installed a bond with a foreign pipeline and a bond with another pipeline operated by ET in the area and recoated approximately 425 feet of the TW 30-Inch pipeline. The Company has also installed a smart test station with corrosion monitoring coupons at the foreign crossing and at additional test stations along the area of the recoat to ensure accurate pipe-to-soil readings.
2. *In accordance with PCO Item 1.b*, TW has included documentation confirming the remedial efforts detailed above have been completed and that the pipe-to-soil potentials meet required criteria of 49 C.F.R. Part 192 and Company Standard Operating Procedures.

Documentation supporting the completion of PCO items 1.a and 1.b are included with this response under Exhibit 1 and Exhibit 2.

Although a response is not required to the Warning Item related to the alleged violation of 49 C.F.R. Part 192.471, TW addressed the finding as noted in the PHMSA NOPV on July 16, 2020. Documentation of the repair at test station 1865+15 on the Phoenix Lateral is included with this response under Exhibit 3.

In light of the above efforts, TW believes that the PCO provisions have already been satisfied and this matter can be closed upon receipt of a Final Order.

TW shares PHMSA's commitment to pipeline safety, public safety, and pipeline integrity. As set forth above, and without admitting to the alleged violations, TW has performed the items requested by PHMSA in the PCO.

Sincerely,

Todd Nardozi
Director – Regulatory Compliance
Energy Transfer Partners

cc: Eric Amundsen, SVP of Operations
Clint Green, VP of Operations
Chris Lason, VP of Asset Integrity
Mark Milliken, VP of Technical Services