



U.S. Department
Of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

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

OVERNIGHT EXPRESS MAIL

February 2, 2012

Mr. Terry L. Hurlburt
Senior Vice President-Operations
Enterprise Products Operating LLC
1100 Louisiana Street
Houston, Texas 77002-5227

CPF 1-2012-5001

Dear Mr. Hurlburt:

As the result of the incident that occurred on Enterprise's 8-inch Line P-41, along Keyserkill Road in Gilboa, New York (Schoharie County), on August 27, 2010, an inspector from the New York State Department of Public Service (NYSDPS), acting as agents for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code, conducted inspections during the remediation activities involving line P41 in New York.

As a result of these inspections, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

1. §195.412(a) Inspection of rights of way and crossings under navigable waters.

(a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.

Enterprise did not adequately inspect the surface conditions, while utilizing fixed wing aircraft, on or adjacent to the pipeline right-of-way (ROW) on line P41.

Enterprise was unable to adequately inspect the pipeline right-of-way on line P41 as they failed to maintain the growth of vegetation on the P41 right-of-way, including the tree canopy over the right-of-way. The overgrown right-of-way did not allow for proper aerial inspection of the surface conditions on or adjacent to the right-of-way as outlined in 49 CFR Part 195. At the time of the inspection, Enterprise indicated that they were using aerial patrol as the only method to meet the requirements of §195.412(a). However, Enterprise had failed to maintain its right-of-way sufficiently to allow for the adequate inspection of the surface conditions by aerial patrolling alone.

Inadequate right-of-way inspections were conducted at the following areas where overgrown conditions were identified:

- Dig sites 12 and 13 (dig sites related to CAO 120105008H);
- Route 30 to Dave Brown Mountain;
- Right of way immediately downstream of Valve 102;
- Near West Kill Stream Crossing;
- Dave Brown Mountain to Valve 102; and
- Downstream of Keyserkill Road.

2. §195.54 Accident reports.

(b) Whenever an operator receives any changes in the information reported or additions to the original report on DOT Form 7000-1, it shall file a supplemental report within 30 days.

Enterprise failed to submit a supplemental report to PHMSA within 30 days of receiving additional information related to an accident that occurred on August 27, 2010 in Schoharie County, New York.

On November 12, 2010, Enterprise received a laboratory analysis report titled “Investigation of a leak on 8 inch P41 pipeline at MP 133.87; W. Greg Morris (Nov 12, 2010),” Keiffner and Associates. This report identified the cause of the accident to be due to a circumferential leak that originated at a circumferentially –oriented stress corrosion crack (SCC) adjacent to the toe of a girth weld on the upstream pipe joint. On March 17, 2011, and again on May 9, 2011, PHMSA

representative, Blaine Keener, contacted Enterprise via email requesting that a supplemental report be submitted identifying the cause of the 8/27/2010 incident in Schoharie County, New York. As of May 11, 2011, Enterprise had still not provided the supplemental report update as requested by PHMSA and as required by Section 195.54(b) of the code.

3. §195.406 Maximum operating pressure.

(b) No operator may permit the pressure in a pipeline during surges or other variations from normal operations to exceed 110 percent of the operating pressure limit established under paragraph (a) of this section. Each operator must provide adequate controls and protective equipment to control the pressure within this limit.

Enterprise permitted the pressure on the P41 pipeline to exceed 110 percent of the operating pressure limit established for this pipeline.

Following the accident that occurred on 8/27/2010, Enterprise established a procedure for the evacuation of propane in the P41 line from Jefferson Station to Selkirk Station. In that procedure Enterprise established a temporary maximum pressure of 600 psig at Selkirk Station. Including the allowance for 110 percent, this calculates to 660 psig.

During the propane evacuation process on 10/05/2010, Enterprise exceeded the allowance for the established temporary maximum pressure by 15 psig when the pressure peaked at 675 psig.

4. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) 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.

Enterprise failed to follow the applicable ENTERPRISE CONSTRUCTION SPECIFICATION SPEC LP-9.1, which requires that line-up clamps not be removed prior to completing 50% of the root bead. During the replacement of Valve MOV97A, the inspector witnessed a weld in which the line-up clamp was removed by one of the welders prior to completing 50% of the root bead. NYSDPS Staff immediately brought this to the attention of the on-site operator welding inspector who, after inspecting the partial root bead, ordered the weld to be cut out.

5. §195.402 Procedural manual for operations, maintenance, and emergencies.

(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.

The operator failed to repair the pipeline system in accordance with each of the requirements of this subpart in that it failed to ensure that repairs were made in a safe manner and are made so as to prevent damage to persons according to §195.422(a).

During the inspection of welding operations on the replacement of Valve MOV97A, NYSDPS inspector witnessed two fire extinguishers being manned during the welding operation. These extinguishers were fully discharged. The NYSDPS inspector immediately brought this to the attention of the Operator’s on-site inspector, who ordered that all welding operations stop until the discharged extinguishers were replaced with charged extinguishers.

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 \$67,400 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$18,700
2	\$12,500
3	\$7,500
4	\$16,200
5	\$12,500

Proposed Compliance Order

With respect to item (1) one, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Enterprise Products Partners LP. 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.

Please send all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2012-5001** on each document you submit, and please whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to Byron.Coy@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

Byron E. Coy
Director, Eastern 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 Partners LP (Enterprise) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Enterprise Products Partners LP with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to Enterprise's failure to adequately inspect the right-of-way along the P41, as prescribed in §195.412(a). Therefore, Enterprise must:
 - a.) perform a right-of-way assessment to identify areas that have excessive ground vegetation and/or overhanging tree canopy. Enterprise must perform the right-of-way assessment sometime during the months of July, August and/or September because it is the time of year when vegetation is the heaviest. The right-of-way assessment must be conducted during this time interval that first occurs following the issuance of the Final Order.
 - b.) develop a plan to remediate each location identified in Item 1(a).
 - c.) implement and complete the said plan within 120 days after completion of the right-of-way assessment in 1(a).
2. Enterprise must make all related records and documentation available for review by the Director upon request.
3. Enterprise must provide a summary report to demonstrate the efforts applied to Item 1 to the Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration, 820 Bear Tavern Rd, Suite 103, West Trenton, NJ 08628 within 30 days after completion of Item 1.
4. It is requested (not mandated) that Enterprise maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Byron Coy, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration, Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2012-5001** on each document you submit. 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.