

APRIL 26, 2013

Mr. Michael A. Creel
President & CEO
Enterprise Products Operating, LLC
1100 Louisiana Street
Houston, TX 77002-5227

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

Re: CPF No. 1-2012-5022

Dear Mr. Creel and Mr. Hurlburt:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and assesses a civil penalty of \$26,200. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated January 3, 2013. This enforcement action is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Byron E. Coy, P.E., Director, Eastern Region, OPS
Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, OPS

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)	
)	
Enterprise Products Operating, LLC,)	CPF No. 1-2012-5022
)	
Respondent.)	

FINAL ORDER

From July 12 to July 27, 2011, pursuant to 49 U.S.C. § 60117, representatives of the New York State Department of Public Service (NYSDPS), as agents for the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Enterprise Products Operating, LLC (EPCO or Respondent) in Watkins Glen, New York. EPCO's New York facilities include two 8-inch diameter propane pipelines designated as the P-40 pipeline and the P-41 pipeline which are 34.99 and 164.76 miles in length, respectively.¹

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated December 18, 2012, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that EPCO had violated 49 C.F.R. § 195.579(c) and proposed assessing a civil penalty of \$26,200 for the alleged violations.

EPCO responded to the Notice by letter dated January 10, 2013 (Response). The company paid the proposed civil penalty of \$26,200, as provided in 49 C.F.R. § 190.227. Payment of the penalty serves to close the case with prejudice to Respondent.

FINDING OF VIOLATION

In its Response, EPCO did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.579(c), which states:

¹ PHMSA Violation Report at 1. Enterprise is a subsidiary of Enterprise Products Partners, LP, which transports natural gas, NGL, crude oil, refined products, and petrochemicals through more than 50,000 miles of pipelines in North America.

§ 195.579 What must I do to mitigate internal corrosion?

(a)...

(c) *Removing pipe.* Whenever you remove pipe from a pipeline, you must inspect the internal surface of the pipe for evidence of corrosion. If you find internal corrosion requiring corrective action under § 195.585, you must investigate circumferentially and longitudinally beyond the removed pipe (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the removed pipe.

The Notice alleged that Respondent violated 49 C.F.R. § 195.579(c) by failing to inspect the internal surface of the pipe that was removed from a pipeline for evidence of corrosion during a relocation project performed in 2010. Specifically, the Notice alleged that EPCO had no record of performing a documented inspection of the internal surface of pipe removed from the P-40 Pipeline at New York State Route 15, approximately 3.5 miles north of the Pennsylvania state border at Stowell Road, Lindley, NY. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.579(c) by failing to inspect the internal surface of the pipe that was removed from a pipeline for evidence of corrosion.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$100,000 per violation for each day of the violation, up to a maximum of \$1,000,000 for any related series of violations. In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; the Respondent's ability to pay the penalty and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require. The Notice proposed a total civil penalty of \$26,200 for the violation cited above.

Item 1: The Notice proposed a civil penalty of \$26,200 for Respondent's violation of 49 C.F.R. § 195.579(c) by failing to inspect the internal surface of the pipe that was removed from a pipeline for evidence of corrosion. EPCO neither contested the allegation nor presented any evidence or argument justifying a reduction in the proposed penalty. With respect to the nature, circumstances, and gravity of this violation, failure to perform documented inspections of removed pipe for internal corrosion has the potential to impact safety. Respondent is culpable for the violation as pipeline operators are obligated to maintain such information about the condition of their pipelines and use it in making maintenance and operational decisions. Nothing

in the record constitutes a good faith effort to comply prior to the OPS inspection. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$26,200 for violation of 49 C.F.R. § 195.579(c) which has already been paid by Respondent.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued