



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

OCT 16 2019

1200 New Jersey Ave., SE
Washington, DC 20590

Mr. Kelcy Warren
Chief Executive Officer and Chairman of the Board of Directors
Energy Transfer Partners, LP
8111 Westchester Drive
Dallas, Texas 75225

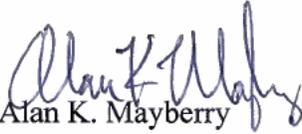
Re: CPF No. 1-2018-1018

Dear Mr. Warren:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and specifies actions that need to be taken by your subsidiary, Rover Pipeline, LLC, to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Eastern Region, this enforcement action will be closed. Service of the Final Order by certified mail is effective upon the date of mailing as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,


Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Robert Burrough, Director, Eastern Region, Office of Pipeline Safety, PHMSA
Mr. Eric Amundsen, Senior Vice President, Operations, Rover Pipeline, LLC, 1300 Main
Street, Houston, Texas 77002

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)

Rover Pipeline, LLC,)
a subsidiary of Energy Transfer Partners, LP,)

Respondent.)
_____)

CPF No. 1-2018-1018

FINAL ORDER

On January 25, March 19-22, May 8-11, and June 18, 2019, pursuant to 49 U.S.C. § 60117, a representative of 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 Rover Pipeline, LLC (Rover or Respondent), in Ohio. Rover is a subsidiary of Energy Transfer Partners, LP.¹

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated September 10, 2018, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Rover had committed three violations of 49 C.F.R. Part 192, and proposed ordering Respondent to take certain measures to correct the alleged violations.

Rover responded to the Notice by letter dated October 9, 2018 (Response). The company did not contest the allegations of violation but provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

In its Response, Rover did not contest the allegations in the Notice that it violated 49 C.F.R. Part 192, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.243(b), which states:

§ 192.243 Nondestructive testing.

(a)

¹ <https://energytransfer.com/natural-gas> (last accessed September 24, 2019).

- (b) Nondestructive testing of welds must be performed:
 - (1) In accordance with written procedures; and
 - (2) By persons who have been trained and qualified in the established procedures and with the equipment employed in testing.

The Notice alleged that Respondent violated 49 C.F.R. § 192.243(b) by failing to perform nondestructive testing of welds in accordance with its written procedures. Specifically, Rover failed to follow its procedure, Energy Transfer Welding Standards Document No. 060 (ETWS.060) effective February 1, 2017, which describes the nondestructive examination (NDE) requirements for welds, including that NDE personnel must be qualified and certified for the tasks they are performing.

During follow-up investigation of a December 17, 2017 girth weld failure that occurred during post-construction hydrostatic testing on the Sherwood Lateral – South test segment SW-7, it was noted that a project NDE film auditor was not certified or qualified in the applicable inspection method, as required by ETWS.060. Further investigation and follow-up with Rover resulted in the identification of an additional nine Rover Pipeline project NDE auditors not meeting the requirements of ETWS.060.

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. § 192.243(b) by failing to nondestructively test welds in accordance with its written procedures.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 192.303, which states:

§ 192.303 Compliance with specifications or standards.

Each transmission line or main must be constructed in accordance with comprehensive written specifications or standards that are consistent with this part.

The Notice alleged that Respondent violated 49 C.F.R. § 192.303 by failing to construct each transmission line in accordance with comprehensive written specifications or standards that are consistent with 49 C.F.R. Part 192 during construction of the Rover Pipeline Project (Project). Specifically, the Notice alleged that Rover failed to incorporate the code requirements for the disposition of dents meeting criteria prescribed under § 192.309(b)(2) within its construction standards for the Project. The construction standards failed to include a requirement for the removal or repair of any dent that affects the longitudinal weld or a circumferential weld.

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. § 192.303 by failing to construct each transmission line in accordance with comprehensive written specifications or standards that are consistent with 49 C.F.R. Part 192 during construction of the Project.

Item 3: The Notice alleged that Respondent violated 49 C.F.R. § 192.319(a), which states:

§ 192.319 Installation of pipe in a ditch.

- (a) When installed in a ditch, each transmission line that is to be

operated at a pressure producing a hoop stress of 20 percent or more of SMYS must be installed so that the pipe fits the ditch so as to minimize stresses and protect the pipe coating from damage.

The Notice alleged that Respondent violated 49 C.F.R. § 192.319(a) by failing to install portions of the Project in such a manner so as to minimize stresses and protect the pipe coating from damage. Specifically, the Notice alleged the pipe was installed under excessive axial, tensile, or bending stresses. The Notice alleged that the pipeline experienced three girth weld failures during hydrostatic testing of the Project, two of which were attributable to large axial and/or residual stresses. Independent third-party analysis concluded that improper installation practices were contributing factors to these failures. In addition, the Project also experienced three additional girth weld failures (cracks) during remediation efforts stemming from PHMSA findings associated with non-conformance with API Std 1104 (incorporated by reference, *see* § 192.7).

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. § 192.319(a) by failing to install pipe in such a manner so as to minimize stresses and protect the pipe coating from damage.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1, 2, and 3 in the Notice for violations of 49 C.F.R. §§ 192.243(b), 192.303, and 192.319(a), respectively. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601.

With regard to the violation of § 192.243(b) (Item 1), Respondent provided documentation concerning its completion of the proposed actions. The Director conducted a review of documentation provided by Rover and confirms that the proposed compliance terms for Item 1 have been completed. Therefore, it is not necessary to include those terms in the Compliance Order.

With regard to the violation of § 192.303 (Item 2), Respondent provided documentation concerning its completion of the proposed actions. The Director conducted a review of the documentation provided by Rover and confirms that the proposed compliance terms for Item 2 have been completed. Therefore, it is not necessary to include those terms in the Compliance Order.²

² In a recommendation dated May 17, 2019, submitted pursuant to § 190.209(b)(7), the Director proposed to modify Item 2(a) of the PCO. By letter dated July 12, 2019, Respondent objected and requested the modifications be withdrawn. On July 31, 2019, the Director submitted an amended recommendation that did not contain the modifications to Item 2(a). Accordingly, the proposed modifications are not included in this Order.

With regard to the violation of § 192.319(a) (Item 3), Respondent requested that the terms be modified. Specifically, Rover requested that it be permitted to use a combined high resolution longitudinal magnetic flux leakage (MFL), high resolution caliper/geometry and inertial mapping unit (IMU) ILI tool to comply with the Proposed Compliance Order (PCO) Item 3(a). In support of its request, Rover noted that this tool would prove more suitable in identifying pipe strain and undue stress, especially with IMU capability to assess stresses and strain caused by degree of settlement and post construction ground movement when compared to original survey caliper tool date. The Director conducted a review of the proposed modification and confirms that such modification should be made to the Compliance Order. Respondent stated that the completion of the deployment of the ILI strain assessment tool for the entire Rover Pipeline Project will be completed by November 1, 2019. The Director found this deadline to be acceptable. Accordingly, this is reflected in the Compliance Order.

With regard to the PCO Item 4, Rover has completed the terms of this proposed requirement and it is therefore not necessary to include the compliance terms in this Order.

With regard to the PCO Item 5, Rover has completed the terms of this proposed requirement and it is therefore not necessary to include the compliance terms in this Order.

For the above reasons, the Compliance Order is modified as set forth below.

Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 192.319(a) (**Item 3**), Respondent must:
 - a. Assess locations where newly constructed pipe on the Rover Pipeline Project may have been installed with undue stress or strain using a combined high resolution longitudinal magnetic flux leakage (MFL), high resolution caliper/geometry and inertial mapping unit (IMU) ILI tool. Investigation shall include field evaluations and remediation as necessary. Emphasis should be placed on areas highlighted by tool vendor, tie-ins welds, bends, offsets and areas where pipe is suspected of improperly fitting the ditch.
 - b. Rover must complete the requirements of Item 1(a) of this Compliance Order by November 1, 2019. Any identified locations shall be remediated as necessary, and a detailed work plan and schedule shall be submitted to Director, Eastern Region within 30 days of discovery.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

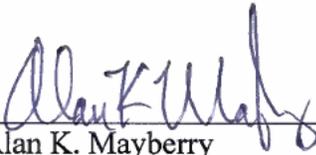
It is requested (not mandated) that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. It is requested that these costs be reported in two categories: (1) total cost associated

with preparation/revision of plans, procedures, studies and analyses; and (2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address, no later than 20 days after receipt of service of this Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay.

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



Alan K. Mayberry
Associate Administrator
for Pipeline Safety

OCT 16 2019

Date Issued