OCTOBER 22, 2012

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

Re: CPF No. 2-2011-5012

Dear Mr. Creel:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation, assesses a civil penalty of $170,900, and specifies actions that need to be taken by Enterprise Products Operating, LLC to comply with the pipeline safety regulations. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated January 20, 2012. When the terms of the compliance order have been completed, as determined by the Director, Southern Region, this enforcement action will be 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. Terry L. Hurlburt, Senior Vice President of Operations, Enterprise Products Operating, LLC, P. O. Box 4324, Houston, TX 77210-4324  
Mr. Josh E. Kohler, Manager, Pipeline Compliance, Texas Eastern Products Pipeline Company, LLC, 1100 Louisiana Street, Suite 1600, Houston, TX 77002-5227  
Mr. Wayne T. Lemoi, Director, Southern Region, PHMSA  
Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, OPS

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
FINAL ORDER

From June 14 to October 22, 2010, and from April 25-27, 2011, pursuant to 49 U.S.C. § 60117, representatives 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 Texas Eastern Products Pipeline Company, LLC (TEPPCO or Respondent), in Texas, Louisiana, Arkansas, Tennessee, Missouri, Indiana, Kentucky, Illinois, Ohio, and Pennsylvania. Following a merger with subsidiaries of Enterprise Products Partners, L.P., on October 26, 2009, TEPPCO is now a wholly-owned subsidiary of Enterprise Products Operating, LLC (Enterprise). \(^1\) At the time of the inspection, TEPPCO’s system included 4,500 miles of pipeline carrying refined petroleum products and highly volatile liquids.

As a result of the inspection, the Director, Southern Region, OPS (Director), issued to Respondent, by letter dated December 12, 2011, a Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Enterprise had committed various violations of 49 C.F.R. Part 195, assessing a civil penalty of $170,900 for the alleged violations, and ordering Respondent to take certain measures to correct the alleged violations. The Notice also proposed finding that Respondent had committed certain other probable violations of 49 C.F.R. Part 195 and warning Respondent to take appropriate corrective action or be subject to future enforcement action.

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\(^1\) TE Products Pipeline, LLC (TEPPCO) was the operator of record at the initiation of the inspection in June 2010. Effective August 17, 2010, TE Products Pipeline, LLC under operator identification number (OPID number) 19237 was legally changed to Enterprise Products Operating LLC, under OPID number of 31618. See also SEC Form 10-K, Enterprise Products Partners, L.P., March 1, 2010.
Enterprise responded to the Notice by phone on February 1, 2012, and by letter dated March 28, 2012 (Response). The company did not contest the allegations of violation but described the steps taken to complete the terms of the proposed compliance order and paid the proposed civil penalty of $170,900, as provided in 49 C.F.R. § 190.227. Respondent did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

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

Item 4: The Notice alleged that Respondent violated 49 C.F.R. § 195.402(a), which states:

§ 195.402  Procedural manual for operations, maintenance, and emergencies.
   (a) General. 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.

The Notice alleged that Respondent violated 49 C.F.R. § 195.402(a) by failing to follow its manual of written procedures for conducting normal operations and maintenance (O&M). Specifically, the Notice alleged that Enterprise failed to properly evaluate and accurately record tank conditions and deficiencies such as “failed inspection points”, as required by its O&M manual procedure, Section 1307, Breakout Tanks (dated 02/10/10) and its monthly breakout tank inspection form (Tank Inspection Report). According to the Notice, PHMSA inspectors observed and photographed the conditions and deficiencies on four breakout tanks and at several locations along the pipeline system in September and October 2010, as more fully described in the Notice. The conditions and deficiencies were not recorded in Enterprise’s monthly inspections records.

In its Response, Enterprise admitted that its breakout tank inspection documentation was incorrect for the locations referenced in the Notice. The company explained that it has developed a new procedure, Standard STD 9503 Inspection and Testing of Atmospheric and Low-Pressure DOT Breakout Tanks (approved June 2011) and developed an associated checklist for future DOT Breakout Tank Inspections. Enterprise also submitted its updated O&M procedure, Section 1307, Breakout Tanks, which includes a reference to STD 9503.

2 Pipeline Safety Violation Report (Violation Report) (December 12, 2011), at 2 and Exhibit A.
3 Response at 3.
4 Id.
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. § 195.402(a) by failing to follow its manual of written procedures for conducting normal operations and maintenance.

Item 10: The Notice alleged that Respondent violated 49 C.F.R. §§ 195.412(a), which states:

§ 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.

The Notice alleged that Respondent violated 49 C.F.R. § 195.412(a) by failing to adequately inspect the surface conditions on and adjacent to its pipeline rights-of-way (ROW) at intervals not exceeding 3 weeks, but at least 26 times each calendar year. Specifically, the Notice alleged that tree canopies and vegetation covered four separate ROW locations and obscured the surface conditions from observation by aerial surveillance, which Enterprise used as its inspection method. Respondent did not contest this allegation of violation but explained that it had implemented a ground patrol of areas where canopies do not allow for aerial patrol.

Based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.412(a) by failing to adequately inspect the surface conditions on and adjacent to its pipeline rights-of-way.

Item 11: The Notice alleged that Respondent violated 49 C.F.R. § 195.420(a), which states:

§ 195.420 Valve maintenance.

(a) Each operator shall maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times.

The Notice alleged that Respondent violated 49 C.F.R. § 195.420(a) by failing to maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times. Specifically, the Notice alleged that PHMSA inspectors observed Enterprise personnel attempt unsuccessfully to manually operate the Winzer Road block valve located at MP 51.03 on Line P1. Enterprise did not contest the allegation of violation but explained that it had replaced the block valve at Winzer Road with an operable valve. Accordingly, I find that Respondent violated § 195.420(a) by failing to maintain each valve that is necessary for the safe operation of its pipeline systems in good working order.

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5 Violation Report at 7 and 44.

6 Response at 8.

7 Id.
**Item 12:** The Notice alleged that Respondent violated 49 C.F.R. § 195.428(a), which states:

§ 195.428 Overpressure safety devices and overfill protection systems.

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7 ½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

The Notice alleged that Respondent violated 49 C.F.R. § 195.428(a) by failing to conduct required inspections and tests of its highly volatile liquids (HVL) above ground breakout tank overfill protection system at the McRae Terminal at intervals not exceeding 7½ months, but at least twice each calendar year. Specifically, the Notice alleged that Enterprise did not demonstrate that the overfill protection system had been inspected and tested between the system start-up test on August 31, 2009, and October 21, 2010, in accordance with § 195.428(d). Enterprise did not contest the allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.428(a) by failing to inspect and test the overfill protection systems of its HVL above ground breakout tank within the required frequency.

**Item 14:** The Notice alleged that Respondent violated 49 C.F.R. § 195.432(b), which states:

§ 195.432 Inspection of in-service breakout tanks.

(a) . . . .

(b) Each operator shall inspect the physical integrity of in-service atmospheric and low-pressure steel aboveground breakout tanks according to section 4 of API Standard 653[incorporated by reference, see § 195.3]. However, if structural conditions prevent access to the tank bottom, the bottom integrity may be assessed according to a plan included in the operations and maintenance manual under § 195.402(c)(3).

The Notice alleged that Respondent violated 49 C.F.R. § 195.432(b) by failing to inspect the physical integrity of certain in-service breakout tanks according to Section 6 of API Standard 653. Specifically, the Notice alleged that Enterprise did not conduct visual external inspections

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8 Violation Report at 17 and 46.

9 Section 195.432(b) required operators to inspect certain tanks according to section 4 of API Standard 653. However, Section 6 of API Standard 653, not Section 4, contained the relevant provisions relating to inspections of the in-service breakout tanks. Section 195.432(b) was amended after the inspection. It presently reads: “Each operator must inspect the physical integrity of in-service atmospheric and low-pressure steel aboveground breakout tanks according to API Standard 653 . . . .” Pipeline Safety: Periodic Updates of Regulatory References to Technical Standards and Miscellaneous Edits, 75 Fed. Reg. 48,593, 48,607 (Aug. 11, 2010).
within the time intervals required by Section 6.3.2.1 of API Standard 653 for eighteen in-service breakout tanks. 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. § 195.432(b).

Item 15: The Notice alleged that Respondent violated § 195.505(b), which states:

§ 195.505 Qualification program.
Each operator shall have and follow a written qualification program. The program shall include provisions to:
(a) …
(b) Ensure through evaluation that individuals performing covered tasks are qualified…

The Notice alleged that Respondent violated 49 C.F.R. § 195.505(b) by failing to ensure through evaluation that individuals performing covered tasks were qualified. Specifically, the Notice alleged Enterprise employees who performed breakout tank inspections did not have adequate knowledge of covered task CT 27.1 Routine Monthly Inspection of Breakout Tanks. During its investigation, PHMSA found coating failures on chime ring, atmospheric corrosion on chime ring, paint patches missing on lower portion of tank wall, roof MPT gauge entrance and nozzles had no paint; bleed-through rust was on tank wall, which demonstrated that individuals performing monthly breakout tank inspections were not qualified and lacked adequate knowledge of the covered task. In another instance, PHMSA found that the company’s inspection records showed that the breakout tank inspections had not been performed in accordance with Respondent’s covered task CT 27.1 Routine Monthly Inspection of Breakout Tanks inspection procedures. Enterprise’s tank inspections records did not accurately reflect the paint condition of the McRae breakout Tank No. 1361 and its appurtenances.

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. § 195.505(b).

Item 17: The Notice alleged that Respondent violated § 195.581(a), which states:

§ 195.581 Which pipelines must I protect against atmospheric corrosion and what coating material may I use?
(a) You must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

The Notice alleged that Respondent violated 49 C.F.R. § 195.581(a) by failing to adequately clean and coat portions of pipelines that were exposed to the atmosphere to protect against atmospheric corrosion. Specifically, the Notice and Violation Report included examples of facilities that were not properly coated, including above ground and exposed pipelines, above-ground valves, and breakout tanks. Respondent did not contest this allegation of violation but

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10 Violation Report at 22 and 46.
11 Violation Report at 32 and 46.
explained that all atmospheric coating related issues described in the Notice have been addressed. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.581(a).

**Item 18:** The Notice alleged that Respondent violated 49 C.F.R. § 195.583(a), which states:

### § 195.583 What must I do to monitor atmospheric corrosion control?

(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmosphere corrosion, as follows:

<table>
<thead>
<tr>
<th>If the pipeline is located:</th>
<th>Then the frequency of inspection is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onshore</td>
<td>At least once every 3 calendar years, but with intervals not exceeding 39 months.</td>
</tr>
<tr>
<td>Offshore</td>
<td>At least once each calendar year, but with intervals not exceeding 15 months.</td>
</tr>
</tbody>
</table>

The Notice alleged that Enterprise violated 49 C.F.R. § 195.583(a) by failing to inspect a portion of the pipeline that was exposed to the atmosphere for evidence of atmospheric corrosion at least once every three calendar years, but at intervals not exceeding 39 months. Specifically, the Notice alleged that PHMSA inspectors observed and photographed an exposed pipe (creek span) on Line P22 located upstream of MP 44.28 near Sunny Brook Road) that had deteriorated coating and evidence of active corrosion. However, Enterprise did not list Line P22 on any of the company’s exposed pipeline lists.

Enterprise did not contest this allegation but explained that on September 28, 2010, the surfaces of the exposed sections had been recoated and new pipeline markers added to identify the exposures. Enterprise also stated that it had added the exposed section to its Atmospheric Corrosion database for inspection at the required intervals.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 195.583(a) by failing to inspect, at the required intervals, each pipeline exposed to the atmosphere for atmospheric corrosion.

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

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12 Response at 12.

13 Violation Report at 37 and 46.

14 Response at 12.
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; 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 $170,900 for the violations cited above.

Item 4: The Notice proposed a civil penalty of $19,000 for Respondent’s violation of 49 C.F.R. § 195.402(a), for failing to follow its manual of written procedures to properly evaluate and accurately record tank conditions and deficiencies such as “failed inspection points”. Respondent did not contest the allegation of violation. Accurate and consistent documents are integral to conducting normal operations and maintenance, and responding to emergencies. Inconsistent records pose a significant threat to pipeline safety. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of $19,000 for violation of 49 C.F.R. § 195.402(a).

Item 10: The Notice proposed a civil penalty of $47,400 for Respondent’s violation of 49 C.F.R. § 195.412(a), for failing to adequately inspect the surface conditions on and adjacent to four separate pipeline ROW locations. Maintaining a system of inspection ensures reasonable promptness in the detection of all surface conditions on and adjacent to the pipeline right-of-ways. Patrolling alerts the operator to any indication of pipeline leaks and the detection of excavation activity that could affect the safe operation of the pipeline. Respondent did not contest the allegation of violation. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of $47,400 for violation of 49 C.F.R. § 195.412(a).

Item 11: The Notice proposed a civil penalty of $10,500 for Respondent’s violation of 49 C.F.R. § 195.420(a), for failing to maintain the Winzer Road valve on Line P1 in good working order at all times. Respondent did not contest the allegation of violation. Properly functioning valves are essential to the safe operation of hazardous liquid pipeline systems, as they limit the volume of product released in the event of a spill. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of $10,500 for violation of 49 C.F.R. § 195.420(a).
**Item 12:** The Notice proposed a civil penalty of $15,500 for Respondent’s violation of 49 C.F.R. § 195.428(a), for failing to inspect and test the HVL above ground breakout tank overfill protection system at the McRae Terminal between August 31, 2009 and October 21, 2010, and exceeding the required interval of 7½ months. Respondent did not contest the allegation of violation. Overfill protection systems provide crucial protection against spills. Regular inspections and tests of such systems are key to ensuring that these systems operate properly. In this case, Respondent failed to inspect and test the HVL above ground breakout tank overfill protection system. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of $15,500 for violation of 49 C.F.R. § 195.428(a).

**Item 14:** The Notice proposed a civil penalty of $46,400 for Respondent’s violation of 49 C.F.R. § 195.432(b), for failing to inspect the physical integrity of 18 in-service atmospheric steel above-ground breakout tanks in accordance with section 6 of API Standard 653 at the required intervals and for failing to properly identify or resolve certain conditions and deficiencies during its monthly inspections. Respondent did not contest the allegation of violation and did not object to the proposed civil penalty. Breakout tank inspections are designed to detect corrosion, settlement, and other threats to the integrity of those facilities. When inspections are not adequately performed or do not occur at the required intervals, these threats are more likely to progress to the point of failure. The environmental consequences of such an event would be significant, particularly given the large quantity of hazardous liquids stored in the tanks. Moreover, the evidence shows that Respondent is fully culpable for failing to perform the required inspections. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of $46,400 for violation of 49 C.F.R. § 195.432(b).

**Item 17:** The Notice proposed a civil penalty of $17,900 for Respondent’s violation of 49 C.F.R. § 195.581(a), for failing to adequately clean and coat portions of pipelines that were exposed to the atmosphere at soil-to-air interfaces to protect against atmospheric corrosion in numerous locations. Respondent did not contest the allegation of violation. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of $17,900 for violation of 49 C.F.R. § 195.581(a).

**Item 18:** The Notice proposed a civil penalty of $14,200 for Respondent’s violation of 49 C.F.R. § 195.583(a), for failing to inspect a portion of Enterprise Line P22 that was exposed to the atmosphere for evidence of atmospheric corrosion at least once every three calendar years, but at intervals not exceeding 39 months. Respondent did not contest the allegation of violation. It is important, as a general rule, for operators to conduct regular inspections for atmospheric corrosion to assure PHMSA and the public that the operator is operating its pipeline safely. This is particularly true for pipelines operating in environmentally sensitive areas such as river crossings. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of $14,200 for violation of 49 C.F.R. § 195.583(a).

In summary, upon review of all the evidence and consideration of the assessment criteria for each of the Items cited above, I assess Respondent a total civil penalty of $170,900, which has already been remitted.
COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 15 in the Notice for violation of 49 C.F.R. § 195.505(b). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. 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 violation of § 195.505(b) (Item 15), Respondent must revise its Operator Qualification (OQ) Plan consistent with Enterprise’s covered task 27.1 Routine Month Inspection of Breakout Tanks, including additional training to equip personnel with the knowledge and skills necessary to identify coating failures on chime ring, atmospheric corrosion on the chime ring, active external corrosion on the tank, and areas without proper atmospheric coating protection on the tank wall and roof. The amended OQ Plan must be consistent with Enterprise’s procedures and ensure that tank assessments or remedial measures are addressed, including:

   (a) Revise any written procedures or training materials related to monthly inspections of breakout tanks that are referenced in the revised OQ Plan.

   (b) Train and qualify all personnel who independently conduct monthly breakout tank inspections in accordance with revised OQ Plan, Enterprise procedures and training materials. Submit to the Director, Southern Region, a list of the personnel and the date that each individual was trained and qualified on monthly breakout tank inspections.

2. Within 30 days upon receipt of the Final Order, Enterprise must complete the Compliance Items above. Enterprise must submit documentation verifying compliance to the Director, Southern Region, within 30 days of completing the actions for approval.

3. Enterprise is requested (not mandated) to maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Wayne Lemoi, Director, Southern Region. PHMSA requests that these costs be reported in two categories: 1) total cost associated with preparation of plans, procedures, studies, and analyses, and 2) total cost associated with replacements, additions, and other changes to pipeline infrastructure.

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.
Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed $100,000 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.

**WARNING ITEMS**

With respect to Items 1, 2, 3, 5, 6, 7, 8, 9, 13, 16, and 19 the Notice alleged probable violations of Part 195 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 195.54(a) **(Item 1)** — Respondent’s alleged failure to report to PHMSA an accident that occurred on January 25, 2010 within 30 days;

49 C.F.R. § 195.116(f)(2) **(Item 2)** — Respondent’s alleged failure to mark on the body or on the nameplate of a tap valve the designation or the maximum working pressure to which the valve (MOV 8105), installed in Line P107A, may be subjected;

49 C.F.R. § 195.202 **(Item 3)** — Respondent’s alleged failure to construct the pipeline system connecting the highly volatile liquid breakout tank outlets and the booster pump suction header at its McRae Terminal in 2009, in accordance with comprehensive written specifications or standards that are consistent with the requirements of this part;

49 C.F.R. § 195.402(a) **(Item 5)** — Respondent’s alleged failure to follow its manual of written procedures for conducting normal O&M activities. Specifically, Respondent’s failure to follow its procedures requiring Enterprise personnel to perform periodic reviews of the work done by its personnel to determine the effectiveness of the procedures used in normal operation and maintenance and to take corrective actions where deficiencies were found. Respondent failed to demonstrate that its procedures had been followed at its facilities in Seymour, Chicago, Illinois, North Little Rock, Arkansas, and El Dorado, Texas;

49 C.F.R. § 195.402(a) **(Item 6)** — Respondent’s alleged failure to follow its manual of written procedures for handling abnormal operations. Specifically, its failure to follow its procedures requiring Enterprise personnel to perform periodic reviews of the work done by its personnel to verify it had determined the effectiveness of abnormal operation procedures and had taken corrective actions where deficiencies were found, in accordance with its O&M manual procedure in Section 801, Abnormal Operation Procedures (dated 10/31/2009).

49 C.F.R. § 195.402(a) **(Item 7)** — Respondent’s alleged failure to follow its manual of written procedures for conducting maintenance activities that required Enterprise to conduct Magnetic Particle Inspection (MPI) tests for the presence of
cracking, in accordance with its Maintenance Report form (EPOLP Form #140) and its Pipeline Defect Evaluation and Repair Procedure, rev.02/01/05 (Repair Procedure). Specifically, Enterprise exposed a segment of Line P2 in July 2010, and recorded that severe corrosion pitting was found only at coating holidays and not under disbonded coating. The report also indicated that the condition of the coal tar enamel coating was partially disbonded with visible holidays or other degradation. Enterprise personnel and records indicated MPI tested had not been conducted for Stress Corrosion Cracking;

49 C.F.R. § 195.410(a)(1) (Item 8) — Respondent’s alleged failure to install a sufficient number of markers along its buried pipeline so that its location was accurately known;

49 C.F.R. § 195.410(a)(2) (Item 9) — Respondent’s alleged failure to maintain several pipeline markers over buried pipeline, Line P22, so that the operator’s current contact information was legible;

49 C.F.R. § 195.432(b) (Item 13) — Respondent’s alleged failure to properly inspect the physical integrity of 24 in-service atmospheric steel above-ground breakout tanks in accordance with Section 6 of API Standard 653 because the inspector was not an “authorized inspector” as defined in Section 3 of the standard;

49 C.F.R. § 195.563(a) (Item 16) — Respondent’s alleged failure to maintain a record of each inspection required of this subpart. Specifically, Enterprise could not provide records indicating that the internal surfaces of the removed pipes associated with the 2008, Highway 167 and railroad crossing replacements of Lines P2 and P62 in north Louisiana were inspected for evidence of corrosion as required by § 195.579(c); and

49 C.F.R. § 195.589(c) (Item 19) — Respondent’s alleged failure to maintain records for certain pipeline locations of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist.

Respondent presented information in its Response showing that it had taken certain actions to address the cited items. Accordingly, having considered such information, I find, pursuant to 49 C.F.R. § 190.205, that probable violations of 49 C.F.R. § 195.402(a) (Notice Items 1 and 2) have occurred and Respondent is hereby advised to correct such conditions. In the event that OPS finds a violation of this provision in a subsequent inspection, Respondent may be subject to future enforcement action.
The terms and conditions of this Final Order [CPF No. 2-2011-5012] are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued