

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 1, 2019

Mr. Graham W. Bacon
Group Sr. Vice President
Operations & EHS&T
Enterprise Products Operating, LLC
1100 Louisiana Street
Houston, TX 77002

CPF 2-2019-5005W

Dear Mr. Bacon:

Between April 8 and April 25, 2019, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected the Enterprise Products Operating, LLC (Enterprise) Tri-States System in Alabama, Louisiana & Mississippi.

As a result of the inspection, it is alleged that Enterprise has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. **§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.**
 - (b) **Each operator shall, at intervals not exceeding 7 1/2 months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.**

Enterprise failed to comply with the regulation because it did not, at intervals not exceeding 7 1/2 months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

Enterprise began operating the Tri-States system on October 1, 2016. PHMSA's review of records documenting required valve inspections revealed that Enterprise inspected Mainline Valve VLV-0068A only once, on April 10, 2019. Enterprise personnel were unable to provide record of any other inspection of the above-referenced valve since Enterprise began operating the Tri-States system.

2. §195.49 Annual report.

Each operator must annually complete and submit DOT Form PHMSA F 7000-1.1 for each type of hazardous liquid pipeline facility operated at the end of the previous year. An operator must submit the annual report by June 15 each year, except that for the 2010 reporting year the report must be submitted by August 15, 2011. [...]

Enterprise failed to comply with the regulation because it did not complete and submit DOT Form PHMSA F 7000-1.1 (Annual Report) for each type of hazardous liquid pipeline facility it operated at the end the previous year. Specifically, Annual Reports submitted by Enterprise for Calendar Years (CY) 2016 and 2017 did not accurately reflect the interstate status of all components of Enterprise's Tri-States system during the previous reporting period.

During an on-site inspection, PHMSA personnel noted three lateral lines in the Tri-States system which were not included as interstate facilities in annual reports submitted by Enterprise for CY 2016 and 2017 (Line 398 in Alabama, and Lines 399 and 404 in Mississippi).

Following PHMSA's identification of the discrepancy, Enterprise submitted supplemental Annual Reports for CY 2016 and 2017, updating the interstate designation to accurately reflect the Tri-States system's status at the end of each respective CY.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, Enterprise is subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violations occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violations occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise Enterprise to correct the items identified in this letter. Failure to do so will result in Enterprise being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 2-2019-5005W**. 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).

Sincerely,

James A. Urisko
Director, Office of Pipeline Safety
PHMSA Southern Region