

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

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

October 18, 2012

Mr. Terry Hurlbert  
Group Senior Vice President, Operations and EHS&T  
Enterprise Products Operating LLC  
1100 Louisiana Street  
Houston, Texas 77210

**CPF 3-2012-5023**

Dear Mr. Hurlbert:

On April 14, 2010, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, began an investigation into an accident that occurred on April 13, 2010 at the Enterprise Products Operating, LLC (EPCO) Seymour Pump Station located in Seymour, IN (Seymour Station Accident).

The accident involved a release of refined products which resulted in a flash fire during a maintenance project involving the removal of valves from the 14" diameter P35 pipeline sump system. Products were ignited by an employee utilizing an electric impact wrench. The accident resulted in two EPCO employees receiving burns requiring hospitalization. At the time of the accident, the work was performed under the direction of EPCO employees utilizing EPCO standards and procedures but TE Products Pipeline Company, LLC (TEPPCO) identified itself in the accident reports as the Seymour Pump Station operator. Effective August 17, 2010, TEPPCO merged with EPCO, and EPCO succeeded TEPPCO as the responsible operator.

As a result of the investigation, 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 violations are:

**1. §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.**

(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.

EPCO failed to follow its written procedures for lockout/tagout isolation during the pipeline maintenance project at the Seymour Pump Station. In pertinent part, EPCO procedures require lock out/tag out to be conducted as follows:

**3.3.5 General Procedures and Requirements**

*2. The Operations Supervisor or Designee shall prepare an EPCO Isolation/Blind List identifying all electrical and/or mechanical isolation points associated with the equipment/system to be taken out of service as follows:*

*b. Description of all mechanical isolating device(s) that must be closed, blinded or disconnected prior to work commencing.*

The Isolation/Blind List (Form EPCO-SF20) developed by EPCO failed to identify all valves to be closed and taken out of service prior to the maintenance work commencing.

**3.3.1 Acceptable Energy Isolation Devices**

*3. However, under this Energy Isolation Standards section these devices shall be locked out and tagged prior to any work being performed on the upstream/downstream deenergized side of these devices.*

The post-accident investigation revealed that the valves associated with the HVL skid to the sump system were not locked out and tagged out.

**2. §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.**

(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.

EPCO failed to follow its procedures for providing continuous Lower Explosive Limit (LEL) monitoring for hazardous vapors during the sump system maintenance which involved the use of non-intrinsically safe equipment. In pertinent part, EPCO's procedures required LEL monitoring as follows:

***3.10.2 Safe Work Practices:***

*3. All Company field locations shall utilize one or a combination of the following processes to ensure compliance with this procedure:*

*c. A Work Permit with continuous LEL monitoring will be required and issued for electrical testing equipment or electrical devices that are not certified as explosion-proof or intrinsically safe and are used in a classified area.*

The April 13, 2010 accident involved the accumulation of flammable vapors in the trench which were ignited by the use of a non-intrinsically safe electric impact wrench. An LEL monitor was located on the ditch bank at the time of the fire; it was not actually monitoring LEL in the trench where the work was performed due to the absence of a tube running from the monitor down into the trench. Effective monitoring can only be performed when a LEL monitor is sampling the environment near or adjacent to the potential source of ignition (in this case the electric impact wrench).

**3. §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.**

(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.

EPCO failed to follow its procedures to develop or rewrite a new Hot Work Permit after circumstances changed as the result of the introduction of an electric impact wrench.

### **3.11.3 Limitations of Permit**

1. *After issuing any permit, it shall be the responsibility of the Operations Supervision or Operations Designee signing the Permit to remain aware of any changes in the operating area that may affect the validity of the permit as originally issued.*
2. *If circumstances change, the Operations Supervisor or Designee should rewrite the permit and inform/instruct all involved personnel of these changes.*

Prior to the start of the day's work, a Hot Work Permit was completed; the completed permit only covered gasoline/diesel powered equipment and pickup/tractor. During the course of events, the use of an electric impact was introduced into the project. The use of an electric impact wrench was not covered by the Hot Work Permit. The use of an electrically powered device changed the circumstances of the Hot Work Permit and the hazard identifications associated with the work permit. Therefore, according to EPCO procedures the Hot Work Permit was required to be rewritten and reissued to involved personnel.

## **4. §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.**

(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.

EPCO failed to follow its Hot Work Permit procedures for posting a fire watch on April 13, 2010 during the sump system maintenance.

### **3.11.8 Hot Work Permit Requirements**

6. *A "stand-by" or fire watch will be informed of any potential fire hazard and assigned to "watch" for and/or eliminate any potential ignition source exposure.*
  - a. *This person must be familiar with the proper use and application of fire extinguishers.*
  - b. *A stand-by or fire watch will be maintained for at least a half hour after completion of welding or cutting operation to detect and extinguish possible smoldering fires.*

EPCO failed to post a fire watch on April 13, 2010 during the sump system maintenance. During the post-accident investigation, EPCO personnel acknowledged that no one was assigned or present as fire watch.

**5. §195.422 Pipeline repairs.**

**(a) Each operator shall, in repairing its pipeline systems, insure that the repairs are made in a safe manner and are made so as to prevent damage to persons or property.**

EPCO failed to insure that repairs at the Seymour Pump Station were made in a safe manner so as to prevent damage to persons or property. On the date of the accident, numerous safety deficiencies were involved including a failure to complete Lockout/Tagout, recognition of a change to a hot work permit condition did not occur, workers were not made aware of a revision to the hot work permit area conditions that impacted their safety, training did not prevent employees from using non-explosion proof equipment in the trench, LEL monitoring equipment was not properly used, and a fire watch was not implemented. The flammable products escaped and ignited in a fire burning several employees. The manner in which EPCO conducted the repair project failed to insure that those repairs were made in a safe manner.

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 violations and has recommended that you be preliminarily assessed a civil penalty of \$437,500 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$ 37,500
2	100,000
3	100,000
4	100,000
5	100,000

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.

In your correspondence on this matter, please refer to **CPF 3-2012-5023** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

David Barrett  
Director, Central Region  
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*