



ENTERPRISE PRODUCTS PARTNERS L.P.
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(General Partner)

ENTERPRISE PRODUCTS OPERATING LLC

January 17, 2013

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Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
901 Locust Street, Suite 462
Kansas City, MO 64106-2641

Attn: Mr. Dave Barrett
Director, Central Region, PHMSA

RE: Response to Notice of Probable Violation and Proposed Civil Penalty
CPF 3-2012-5023
Seymour, IN Pump Station – April 13, 2010 Accident

Dear Mr. Barrett:

As you'll recall, pursuant to the Notice of Probable Violation (NOPV) and Proposed Civil Penalty (PCP) dated October 18, 2012, Enterprise requested an extension to January 19, 2013 to respond. Further, subsequent to receipt of the NOPV and PCP, Enterprise requested and was provided PHMSA's Pipeline Safety Violation Report on November 19, 2012, with findings from the investigation for the above noted accident.

Enterprise has thoroughly reviewed PHMSA's Pipeline Safety Violation Report and those underlying findings of facts which were used in the determination and as justification for the proposed civil penalty amounts and respectfully disagrees with many of the determinations made by PHMSA in its assessment of penalties.

Accordingly, Enterprise hereby submits, for PHMSA's review, proposed corrections to PHMSA's Pipeline Safety Violation Report, which Enterprise requests be used in the reconsideration and reduction of the proposed civil penalty amounts

NOPV 1:

"Employees failed to follow EPCO procedures associated with a pipeline maintenance project at the Seymour, IN Pump Station. On 4-13-2010, employees were attempting to remove valves from the sump system associated with the 14" diameter P35 pipeline system when a flash fire developed, burning two employees. EPCO failed to follow its written procedures for lockout / tagout isolation during the pipeline maintenance project at the Seymour Pump Station. Per procedures employees completed an Isolation/Blind List (Form EPCO-SF20), but the list failed to identify all valves to be closed and taken out of service prior to the maintenance work commencing. The post-accident investigation revealed that the valves associated with the HVL skid to the sump system were not locked out and tagged out."

Enterprise believes the "GOOD FAITH" component of the Pipeline Safety Evaluation Report, page 17 of 51, should be changed from "GOOD FAITH does not exist..." to "GOOD FAITH exists...". As previously provided, Enterprise had adequate and sufficient policies and procedures in place at the time of this incident that addressed hot work permitting, energy isolation, and lockout / tagout of the applicable pipeline components. Enterprise also had in place and has previously submitted information that it provided appropriate training on said policies and procedures to its employees and contractors. Enterprise has established that it acted in good faith (both intentions and actions) to fulfill its obligation to provide for a safe work environment and had no reason to expect that its employees would not implement the policies and procedures to which they have been provided and trained. Therefore, Enterprise respectfully submits that it has submitted facts that clearly demonstrate that it did act in GOOD FAITH with regard to the interpretation of the requirements and its duty to meet the regulatory requirements.

NOPV 2:

"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. Workers utilized an electric impact wrench during the process of removing the flanged-in valves from the sump system. During the course of events, a LEL monitor was used, but the monitor was placed on the ditch bank. This location did not sample the area where HVLs would tend to accumulate. No tube was installed on the LEL monitor to sample air at the bottom of the ditch where HVLs would accumulate."

Enterprise believes the "GOOD FAITH" component of the Pipeline Safety Evaluation Report, page 26 of 51, should be changed from "GOOD FAITH does not exist..." to "GOOD FAITH exists...". As previously set forth and provided to PHMSA, at the time of the incident in question, Enterprise had adequate and sufficient policies and procedures that addressed all applicable Safe Work Practices for the appropriate pipeline components as well as provided applicable training for their employees and contractors. Enterprise acted in good faith to fulfill its obligation to provide for a safe work environment and had no reason to expect that its employees would not implement the policies and procedures as they had been trained. Accordingly Enterprise respectfully asserts that it did act in GOOD FAITH (both intentions and actions) with regard to its duty to meet the requirements of its regulatory obligations.

NOPV 3:

"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 into the pipeline maintenance project. EPCO has three types of work permits, General, Hot and Confined Space. Prior to the start of this maintenance project, a Hot Work Permit was completed, but the completed permit only covered gasoline/diesel powered equipment and pickup/tractor (other). During the course of events, an electric impact was introduced into the project."

Enterprise asserts that the "Culpability" component of the Pipeline Safety Evaluation Report, page 33 of 51, should be changed from "The Operator failed to take any action or made minimal attempt..." to "The Operator was cognizant of the regulatory requirement and took some steps to address the issue, but did not achieve compliance." It is Enterprise's position that the facts and information presented clearly demonstrates that both intentions and actions to follow the regulatory requirements were present and were taken. Specifically, at the time of the incident it cannot be disputed that proper procedures were in place and training on said procedures had occurred, but that there was a lack of follow-up by operating personnel. Clearly, as it implemented applicable and adequate procedures

and conducted training on said procedures, Enterprise did not fail to take any action or fail to make a minimal attempt to comply with a regulatory requirement that was clearly applicable.

Enterprise believes the "GOOD FAITH" component of the Pipeline Safety Evaluation Report, page 34 of 51, should be changed from "GOOD FAITH does not exist...." To "GOOD FAITH exists....". As previously stated above and as previously provided Enterprise had adequate and sufficient policies and procedures addressing limitations of a permit and hot work activities for the appropriate pipeline component, as well as, applicable training for its employees and contractors in place at the time of this incident. Again, the facts clearly demonstrated that Enterprise acted in full faith to its obligation to provide for a safe work environment and had no reason to expect that its employees would not implement the policies and procedures as they have been trained. Accordingly, Enterprise respectfully submits that it did act in GOOD FAITH with regard to the interpretation of the requirements and had a credible belief that its approach to achieving compliance was faithful to its duty to meet the regulatory obligation.

NOPV 4:

"EPCO failed to follow its Hot Work Permit procedures for posting a fire watch on April 13, 2010 during the sump system maintenance. The Hot Work Permit states that a fire watch was required. During the incident investigation, workers related that there was no fire watch posted."

Enterprise believes the "Gravity" component of the Pipeline Safety Evaluation Report, page 38 of 51, should be changed from "The non-compliance contributed to the cause of an accident/incident...." to "Pipeline integrity or safe operation potentially compromised in other areas" which would result in a Gravity score change from #7 to #4 as highlighted within page 38 of 51 of the attached Pipeline Safety Violation Report. It is Enterprise's position, that though a fire watch was necessary and required in connection with the tasks performed, the lack of a fire watch was not a contributing factor to the causation of the incident in question. The relevant employee's failure to follow multiple other established policies and procedures as set forth above in this document are the contributing and causal factors of the flash fire that occurred. Additionally, it should be noted that Enterprise has policies and procedures in place, which all relevant employees and contractors have been trained upon, that require a fire watch in connection with work tasks such as those performed in this situation.

Enterprise believes the "Culpability" component of the Pipeline Safety Evaluation Report, page 40 of 51, should be changed from "The Operator failed to take any action or made minimal attempt..." to "The Operator was cognizant of the regulatory requirement and took some steps to address the issue, but did not achieve compliance." It is Enterprise's position that at the time of the incident in question, the proper and required policies and procedures were in place and training on all procedures had occurred however, proper pre planning and a failure to implement procedures by operating personnel failed to occur. It is a misstatement to state that Enterprise failed to take "any action" or "made minimal attempt" when it had developed, implemented and trained all relevant employees on the procedures necessary to provide a safe workplace and provided the necessary firefighting equipment to perform the job.

Enterprise believes the "GOOD FAITH" component of the Pipeline Safety Evaluation Report, page 41 of 51, should be changed from "GOOD FAITH does not exist...." to "GOOD FAITH exists....". As previously provided, the facts support that at the time of the incident in question, Enterprise had adequate and sufficient policies and procedures addressing hot work permitting and placement of a fire watch for the appropriate pipeline work being performed as well as applicable training for their employees and contractors. Enterprise acted in full faith to its obligation to provide for a safe work environment and fully expected its employees to implement the policies and procedures as they had

been trained. Accordingly, Enterprise respectfully submits that it did act in GOOD FAITH with regard to the interpretation of the requirements and had a credible belief that its approach to achieving compliance was faithful to its duty to meet the regulatory obligation.

NOPV 5:

"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. Employees were working on the sump system when the flash fire occurred. The EPCO employees had completed EPCO's training programs and were OQ qualified for the tasks involved. Yet, EPCO's system failed to detect and correct deficiencies that allowed the incident to occur."

Enterprise requests that this NOPV and PCP be dismissed and the fine reduced accordingly as it is in all ways duplicative of the previous four noted NOPVs stated above and as included in the enforcement action. It is manifestly unjust for Enterprise to be fined twice for the same violations.

Enterprise is committed to protecting the environment and the health and safety of employees, contractors, customers and the public by conducting business in a safe and environmentally responsible manner. As a result of the Seymour Station fire which occurred on April 13, 2010, Enterprise leadership took action to identify and address operational risk and safety hazards to prevent future incidents, improve safety performance and ensure the sustainability of business operations.

To ensure that safety is an integral part of all operational activities, safety action plans have been developed by operational business units to define specific, measureable and realistic safety goals and objectives which support the company wide business plan and safety vision. The safety action plans include an employee incentive and recognition program which rewards employees who demonstrate behaviors considered critical to recognizing and sustaining safety as an Enterprise core value.

Should you have any questions, require further information in connection with the above or wish to discuss this matter in greater detail, please do not hesitate to contact our office. Enterprise welcomes the opportunity to discuss this response with PHMSA to further clarify our perspective .

Sincerely,



Terry Hurlburt
Group Sr. Vice President
Operations & EHS&T

Attachments