

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 1, 2013

Mr. Ryan Coffey
Executive VP Operations
Energy Transfer Partners
800 E. Sonterra Blvd., #400
San Antonio, TX 78258

CPF 3-2013-1011M

Dear Mr. Coffey:

On May 24-26, 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected the Energy Transfer Partners (formerly Panhandle Energy) procedures for Public Awareness Program Effectiveness in Houston, TX.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Panhandle Energy's (Panhandle) plans or procedures, as described below:

1. § 192.616 Public awareness.

(c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

Panhandle's procedures are inadequate because its Public Awareness Plan does not include a process that clearly defines how to establish proper notification areas and distance on each side of their pipeline system that affects the public stakeholder audience including other appropriate factors such as the potential impact radius (PIR) and the alternate maximum allowable operating pressure (AMAOP) conditions.

Panhandle's procedures are inadequate because its Public Awareness Plan does not have a comprehensive definition of an emergency official. The definition of an emergency official should include 911 operators and emergency dispatch centers as part of the emergency official audience list of stakeholders.

Panhandle's procedures are inadequate because its Public Awareness Plan does not contain a process for the annual review of each pipeline system for relevant factors and does not include guidance when supplemental enhancements are required.

Panhandle's procedures are inadequate because its Public Awareness Plan does not include a process to ensure that their liaison relationship with appropriate emergency response officials includes an equipment and capabilities assessment.

Panhandle Energy did not follow its procedures for Public Awareness annual implementation audits as discussed in Section 7.1 of Procedure J21- *Evaluating Effectiveness of the Public Awareness Plan*. The annual implementation audits were completed by the Public Awareness Program Manager (PAPM) and not the Manager of Operational Audits as stated in the procedures specified above. Panhandle must follow the procedures specified in Section 7.1 of Procedure J21 - *Evaluating Effectiveness of Public Awareness Plan* or consider revising the procedure to reflect how the annual implementation audits are performed.

Panhandle's procedures are inadequate because its Public Awareness Plan does not include a process that addresses field information and does not track action items, changes or completion of changes based on findings of the annual implementation review.

Panhandle's procedures are inadequate because its Public Awareness Plan does not include a process for confirming that brochures were mailed to all stakeholders.

Panhandle's procedures are inadequate because its Public Awareness Plan did not include a database for trending damages and near misses until 2010. Therefore, data and information was not available for the 2010 effectiveness evaluation which would have included track action items identifying what was reviewed and the results.

2. § 192.616 Public awareness.

(f) The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports gas.

Panhandle's procedures are inadequate because its Public Awareness Plan does not include a process to review the return mail from stakeholder audience groups and take action as appropriate.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 3-2013-1011M** 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*