

April 30, 2020

VIA ELECTRONIC MAIL TO: kelcy.warren@energytransfer.com

Mr. Kelcy L. Warren
President and Chief Executive Officer
Energy Transfer, LP
8111 Westchester Drive
Dallas, Texas 75225

Re: CPF No. 3-2019-1004

Dear Mr. Warren:

Enclosed please find the Final Order issued in the above-referenced case to your subsidiary, Panhandle Eastern Pipe Line Company. It makes findings of violation and assesses a civil penalty of \$12,000. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated January 23, 2020. It also finds the actions specified in the Notice to comply with the pipeline safety regulations have been completed. Therefore, this case is now closed. Service of the Final Order by electronic mail is effective upon the date of transmission as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosures (Order and NOPV)

cc: Mr. Allan C. Beshore, Director, Central Region, Office of Pipeline Safety, PHMSA
Mr. Todd Nardozzi, Senior Manager - DOT Compliance, Energy Transfer, LP,
todd.nardozzi@energytransfer.com

CONFIRMATION OF RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)

Panhandle Eastern Pipe Line Company,)
a subsidiary of Energy Transfer, LP,)

Respondent.)

CPF No. 3-2019-1004

FINAL ORDER

On April 12, 2019, pursuant to 49 U.S.C. § 60117, a representative 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 Panhandle Eastern Pipe Line Company's (PEPL or Respondent) safety related condition report submitted to PHMSA on April 11, 2019 (PHMSA reference number 19-148238). PEPL is a subsidiary of Energy Transfer, LP. Panhandle Eastern Pipe Line Company is a large natural gas transmission operator with 6,337 miles of pipeline in the states of Illinois, Indiana, Kansas, Michigan, Ohio, Oklahoma, and Texas.¹

As a result of the inspection, the Director, Central Region, OPS (Director), issued to Respondent, by letter dated December 12, 2019, 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 PEPL had committed two violations of 49 C.F.R. Part 192 and proposed assessing a civil penalty of \$12,000 for the alleged violations. The Notice also proposed ordering Respondent to take certain measures to correct the alleged violations.

Energy Transfer responded to the Notice by letter dated January 16, 2020 (Response). The company did not contest the allegations of violation and paid the proposed civil penalty of \$12,000 by wire transfer on January 23, 2020. The company provided information concerning the corrective actions it had taken to show compliance with the proposed compliance actions. It also requested that the Violation Report be updated to correct certain information. Respondent did not request a hearing and therefore has waived its right to one.

The Region issued an Amended Violation Report on April 6, 2020.

¹ Amended Pipeline Safety Violation Report (Violation Report), (April 6, 2020) (on file with PHMSA), at 1.

FINDINGS OF VIOLATION

Based upon a review of all of the evidence, pursuant to § 190.213, I find Respondent violated the pipeline safety regulations listed below, as more fully described in the enclosed Notice, which is incorporated by reference:

49 C.F.R. § 192.619(a)(3) (**Item 1**) — Respondent failed to operate a segment of steel pipeline at a pressure that exceeded a maximum allowable operating as determined by the highest actual operating pressure to which the segment was subjected during five years prior to July 1, 1970.

In accordance with 49 C.F.R. § 190.223, Respondent is assessed the proposed civil penalty amount of \$12,000, which Respondent has already paid in full.

49 C.F.R. § 192.739 (**Item 2**) — Respondent failed to install equipment or a device to protect its pressure regulating station from dirt, liquids, or other conditions that might prevent proper operation in accordance with § 192.739(a)(4). On April 6, 2020, PEPL installed two strainers upstream of the regulators at the Johns Manville meter and regulator stations in Defiance, Ohio on March 23 and 26, 2020. PEPL also provided documentation and photos of the installations. Based on this documentation, Central Region determined that PEPL has met the requirements of the proposed compliance order. Therefore, the terms of the proposed Compliance Order are not included in this Final Order.

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

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

April 30, 2020

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued