

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: Matthew.Ramsey@energytransfer.com,
Gregory.Mcilwain@energytransfer.com, Eric.Amundsen@energytransfer.com and
Todd.Nardozzi@energytransfer.com

January 26, 2021

Matt Ramsey
Chief Operating Officer
Energy Transfer
DAPL-ETCO Operation Management, LLC
8111 Westchester
Dallas, TX 75225

CPF 3-2021-5003M

Dear Mr. Ramsey:

On April 29, 2019 to August 30, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Energy Transfer Company procedures for written operations and maintenance (O&M) procedures in Houston, Texas.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Energy Transfer Company plans or procedures, as described below:

1. **§ 195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a)...
 - (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:**
 - (1)...
 - (2) **Gathering of data needed for reporting accidents under subpart B of this part in a timely and effective manner.**

Energy Transfer procedure HLA.15 (Effective Date 11/01/18) “Accident Reporting Appendix E” did not provide adequate instructions regarding how the operator will compute “Estimated cost of Operator's emergency response” (required by DOT Form 7000-1). It specifically did not include instructions for computing materials, supplies, labor, and benefits in an emergency response. Additionally, the cost of operator personnel salary and benefits for responding to an emergency were not included for each of the following: emergency response operations necessary to return the accident site to a safe state; actions to minimize the volume of commodity released; conduct reconnaissance; identify the extent of accident’s impacts; and contain, control, mitigate, recover, and remove the commodity from the environment to the maximum extent practicable.

Energy Transfer must amend its procedures to provide detailed instructions for computing materials, supplies, labor, and benefits in an emergency response in accordance with 195.402(c)(2).

2. **§ 195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a)...
 - (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:**
 - (1)...
 - (3) **Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

Energy Transfer procedure “HLM.01 PHMSA Mainline Valve Inspection, Maintenance and Operation” fails to adequately define and document methodology to determine what valves are necessary for the safe operation of a pipeline in accordance with 195.402(c)(3) and 195.420(a). While the procedure defines mainline valves and remote-control valves in section six, it does not explain how these defined terms were determined to be the only valves necessary for the safe operation of the pipeline.

Therefore, Energy Transfer must amend its procedure to provide a methodology to identify all valves necessary for the safe operation in addition to those already identified as mainline valves.

3. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
(a)...
(d) Abnormal operation. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:
(1)...

Energy Transfer failed to have adequate procedures regarding abnormal operations. An abnormal operation can be identified by the field and not be reviewed by the control room; the opposite exists as well. Energy Transfer failed to integrate the two different procedures and record keeping systems for documenting abnormal operations. The field uses the INTELEX database and ETC procedure HLA.13. The control room used procedure CRM.09 and the IMPACT database along with Form 15(F-15).

Therefore, Energy Transfer must amend its procedures to combine or cross reference, the procedures and databases to ensure abnormal operations are properly documented and reviewed.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Enforcement 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If 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. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 45 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.

It is requested (not mandated) that Energy Transfer Company maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Gregory A. Ochs, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2021-5003M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Gregory A. Ochs
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration

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

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