August 7, 2015

Mr. Michael A. Creel Chief Executive Officer Enterprise Products Operating, LLC 1100 Louisiana Street Houston, TX 77002

Re: CPF No. 4-2014-5006

Dear Mr. Creel:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and confirms that Enterprise Products Operating, LLC, has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese Associate Administrator for Pipeline Safety

Enclosure

cc: Mr. Rodrick M. Seeley, Southwest Regional Director, OPS

Mr. Graham Bacon, Group Sr. Vice President, Operations & EHS&T, Enterprise Products Operating, LLC

CERTIFIED MAIL - RETURN 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 |) | |
| |) | |
| Enterprise Products Operating, LLC, |) | CPF No. 4-2014-5006 |
| |) | |
| Respondent. |) | |
| |) | |

FINAL ORDER

Subsequent to a May 31, 2013 accident on Enterprise's 12-inch hazardous liquid Brown Line, Skellytown to Conway segment, 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 Enterprise Products Operating, LLC (Enterprise or Respondent), near Beaver, Oklahoma. Enterprise is part of Enterprise Products Partners LP, which operates roughly 51,000 miles of natural gas, NGL crude oil, refined products and petrochemical pipelines and other related facilities throughout the United States. The Brown Line accident was the result of a weld failure that resulted in the unintentional release of approximately 200 barrels of hazardous liquid.

As a result of the accident investigation and inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated April 8, 2014, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Enterprise had violated 49 C.F.R. § 195.214, and proposed ordering Respondent to take certain measures to correct the alleged violation.

By letter dated July 9, 2014, Enterprise contested the allegation of violation, provided additional information about corrective actions it had taken, and requested a meeting with the Director and potentially a hearing (Response). After meeting with Southwest Region staff on July 30, 2014, Enterprise withdrew its hearing request by letter dated August 28, 2014 (Supplemental Response), and provided documentation that it had completed the actions in the Proposed Compliance Order.

¹ See http://www.enterpriseproducts.com/corpProfile/businessProfile.shtm. Last accessed on 4/7/2015.

FINDING OF VIOLATION

Enterprise did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.214(a), which states:

§ 195.214 Welding procedures.

(a) Welding must be performed by a qualified welder in accordance with welding procedures qualified under Section 5 of API 1104 or Section IX of the ASME Boiler and Pressure Vessel Code (incorporated by reference, *see* § 195.3). The quality of the test welds used to qualify the welding procedure shall be determined by destructive testing.

The Notice alleged that Respondent violated 49 C.F.R. § 195.214(a) by failing to use a welding procedure qualified under Section 5 of API Standard 1104 (Section 5) or Section IX of the ASME Boiler and Pressure Vessel Code. Specifically, the Notice alleged that Enterprise used a welding procedure that had been modified, and in making those changes, essential variables had been changed without re-qualifying the procedure, as required under Section 5. In addition, the Notice alleged that the modified procedure lacked adequate detail when specifying the welding consumables, and ultimately allowed an incorrect weld filler material to be used in the weld that failed on May 31, 2013.

In its Response, Enterprise contested the first portion of the allegation of violation but not the second. The Region and the company disagreed on which portion of API 1104 should control the qualification of in-service welding procedures and met on July 30, 2014, to discuss the allegation in more detail and, specifically, the degree to which Section 5 applied to the facts presented here.

After a full review of the record, PHMSA agrees with Enterprise that the failure of the weld associated with the accident on May 31, 2013, was a result of the company using an inappropriate welding consumable.³ The agency further agrees that both Section 5 of API 1104 and Appendix B of API 1104, which deals specifically with in-service welding, must be read together to guide operators in qualifying welding procedures for welds containing filler-metal additives in maintenance or in-service situations. This means that in situations such as the one

"5.4.1 General

A welding procedure must be re-established as a new procedure specification and must be completely re-qualified when any of the essential variables listed in 5.4.2 are changed. Changes other than those given in 5.4.2 may be made in the procedure without the need for requalification, provided the procedure specification is revised to show the changes."

² Under 49 C.F.R. § 195.3, PHMSA has incorporated by reference API Standard 1104, "Welding of Pipelines and Related Facilities" (20th edition, October 2005, errata/addendum (July 2007), and errata 2 (December 2008)). Section 5.4.1 of API Standard 1104 states:

³ Response, at 3.

presented here, an operator must follow the requirements for essential variables within Section 5, if not excluded by the alternative requirements of Appendix B.

Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.214 by failing to use a welding procedure qualified under Section 5 of API Standard 1104 or Section IX of the ASME Boiler and Pressure Vessel Code.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for violations of 49 C.F.R. § 195.214(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicates that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 195.214(a) (**Item 1**), Respondent has modified its procedures and re-qualified them in accordance with Section 5 and Appendix B of API 1104.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

Under 49 C.F.R. § 190.243 Respondent has a right to submit a Petition for Reconsideration of this Final Order. The petition must be sent to: Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. PHMSA will accept petitions received no later than 20 days after receipt of service of this Final Order by the Respondent, provided they contain a brief statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The filing of a petition automatically stays the payment of any civil penalty assessed. Unless the Associate Administrator, upon request, grants a stay, all other terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

| Jeffrey D. Wiese | Date Issued |
|-------------------------|-------------|
| Associate Administrator | |
| for Pipeline Safety | |