

February 12, 2015

Mr. Michael A. Creel
President & CEO
Enterprise Products Operating, LLC
1100 Louisiana Street
Houston, TX 77002

Re: CPF No. 4-2014-5017

Dear Mr. Creel:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation, issues a warning of a second probable violation, and specifies actions that need to be taken by Enterprise Products Operating, LLC, to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Southwest Region, this enforcement action will be 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, Director, Southwest Region, OPS
Mr. Graham Bacon, Group Senior 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. 4-2014-5017
)	
Respondent.)	
)	

FINAL ORDER

On April 17, 2014, Enterprise Products Operating, LLC (Enterprise or Respondent), experienced an accident which resulted in a flash fire at its Beaumont Terminal Facility in Beaumont, Texas (Accident). On April 22, 2014, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), initiated an accident investigation and review of Enterprise’s on-site work practices. Respondent is a subsidiary of Enterprise Products Partners, LP, and operates the natural gas liquid (NGL) pipeline and services business segment of Enterprise Products Partners, LP. This includes NGL processing plants, and other facilities, and approximately 16,700 miles of NGL pipelines.¹

As a result of the investigation and inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated July 24, 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. § 195.402 and ordering Respondent to take certain measures to correct the alleged violation. The warning item required no further action, but warned the operator to correct the probable violation or face possible enforcement action.

Enterprise responded to the Notice by letter dated August 27, 2014 (Response). The company did not contest the allegation of violation but provided information concerning the corrective actions it had taken and proposed a possible consent order under 49 C.F.R. § 190.219. This request was subsequently withdrawn by letter dated October 27, 2014, and Enterprise consented to issuance of the Proposed Compliance Order. Respondent did not request a hearing and therefore has waived its right to one.

¹ See <http://www.enterpriseproducts.com/corpProfile/businessProfile.shtm> (current as of December 18, 2014)

FINDING OF VIOLATION

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

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 195.402, which states, in relevant part:

§ 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) *General.* Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted. . . .

(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) . . .

(6) Minimizing the potential for hazards identified under paragraph (c)(4) of this section and the possibility of recurrence of accidents analyzed under paragraph (c)(5) of this section.

The Notice alleged that Respondent violated 49 C.F.R. § 195.402 by failing to follow its own manual of written procedures for minimizing the potential for certain hazards and the possibility of recurrence of accidents with similar causes.² Specifically, the Notice alleged that at the time of the Accident, *Enterprise Maintenance and Normal Operations Procedure Section 702, Investigation of Failures*, provided for minimizing the potential for hazards identified during accident investigations to include actions to prevent the possibility of recurrence. The procedure stated:

"These procedures establish a program to ensure that all operational failures and accidents involving pipeline facilities shall be investigated and analyzed for the purpose of determining the cause and to minimize the potential for hazards and possibility of recurrence."

According to the Notice, Respondent's work practices failed to prevent a recurrence of incidents

² Under 49 C.F.R. § 195.402(c)(4) and (5), an operator's manual must include procedures for "[d]etermining which pipeline facilities are located in areas that would require an immediate response by the operator to prevent hazards to the public if the facilities failed or malfunctioned" and "[a]nalyzing pipeline accidents to determine their causes."

involving the ignition of flammable vapors on at least five occasions over the past five years (January 2009 - 2014).³ The causes of the majority of the accidents have been reported as incorrect operations. PHMSA alleged that Enterprise and its related affiliates repeatedly failed to recognize the potential for flammable vapors and that such failure resulted in fires or detonations causing three fatalities and six injuries in multiple accidents during this time frame.⁴

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.402 by failing to follow its own written procedures to minimize the potential for certain hazards and the possibility of recurrence of accidents with similar causes.

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 2 in the Notice for violation of 49 C.F.R. §§ 195.402. 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. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 195.402 (**Item 2**), Respondent must utilize a third party satisfactory to PHMSA to lead a review and analysis of the individual and collective findings from the internal investigations and root cause failure analyses for a set of incidents and near-misses that have occurred over the past five years (January 2009 - 2014). The review shall identify events involving flash fires, ignition of flammable vapors or detonations, and any other hot-work related events that have occurred on any regulated asset operated under the Enterprise operating entity and compile a list of those accidents and near-misses, as defined in *Enterprise Safety Policies Manual Section 2.4 Incident Investigation*. At a minimum, the following events shall be included:

05-12-2009	Searcy, AR	3 Fatalities, 0 Injuries
05-06-2010	Seymour, IN	0 Fatalities, 2 injuries
12-28-2011	Kermit, TX	0 Fatalities, 2 injuries
09-30-2013	Jones Creek, TX	0 Fatalities, 2 injuries
04-17-2014	Beaumont, TX	0 Fatalities, 0 injuries.

³ These include the following: (1) May 12, 2009, Searcy, AR; (2) May 6, 2010, Seymour, IN; (3) December 28, 2011, Kermit, TX; (4) September 30, 2013, Jones Creek, TX; and (5) April 17, 2013, Beaumont, TX. *See Pipeline Safety Violation Report*, (July 24, 2014) (on file with PHMSA), at 13.

⁴ Three fatalities resulted from the Searcy, AR incident; two injuries resulted from the Seymour, IN incident; two injuries resulted from the Kermit, TX incident; and two injuries resulted from the Jones Creek, TX incident. *See Id.*

2. The Enterprise team, led by the third party, shall review the corrective actions taken to date that have been intended to minimize the possibility of recurrence of flash fires and ignitions of vapors during maintenance projects, pipeline repairs and other operating and maintenance activities carried out by Enterprise. The third party review will serve as an independent analysis to verify that the corrective actions are comprehensive in nature and have addressed the causes and applicable contributing factors to the accidents and near-misses studied under the preceding paragraph. Further, the team will identify any common factors that, when reviewed collectively, may indicate possible systemic issues that require additional corrective actions. A summary of all corrective actions (both completed and proposed) shall be submitted by Enterprise in accordance with Item 3 of this Compliance Order.

3. The list of events identified in Item 1 of this Compliance Order and a summary of the corrective actions developed under Item 2 of this Compliance Order (including the revisions to Respondent's Operations and Maintenance Procedures and Training Programs that have taken place prior to the issuance of this Final Order, and as identified in Item 2) shall be submitted to PHMSA for review and approval no later than 120 days after the issuance of this Final Order.

4. It is requested (not mandated) that Enterprise maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses; and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

WARNING ITEM

With respect to Item 1, the Notice alleged a probable violation of Part 195 but did not propose a civil penalty or compliance order for this item. Therefore, this is considered to be a warning item. The warning was for:

49 C.F.R. § 195.402 (**Item 1**) — Respondent's alleged failure to prepare and follow, for its pipeline systems, a manual of written procedures for conducting moral operations and maintenance activities. Specifically, Enterprise's failure to prepare and follow an adequate job plan for the work being performed at the

Beaumont Terminal facility, which resulted in the ignition of the flammable vapors in the work area.

Enterprise presented information in its Response that it had taken certain actions to address the cited item. If OPS finds a violation of this provision in a subsequent inspection, Respondent may be subject to future enforcement action.

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

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued