

## **NOTICE OF AMENDMENT**

### **CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

June 20, 2017

Mr. Graham Bacon  
Group Senior Vice President, Operations & EHS&T  
Enterprise Crude Pipeline, LLC  
1100 Louisiana Street  
Houston, TX 77002

**CPF 4-2017-5025M**

Dear Mr. Bacon:

Between March 4 and October 9, 2015, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Enterprise Crude Pipeline, LLC (Enterprise) procedures for constructing the Rancho Pipeline between Sealy, TX to Houston, TX.

On the basis of the inspection, PHMSA has identified the apparent inadequacy found within Enterprise's procedures, as described below:

1. **§ 195.260 Valves: Location.**

**A valve must be installed at each of the following locations:**

- (a) On the suction end and the discharge end of a pump station in a manner that permits isolation of the pump station equipment in the event of an emergency.**
- (b) On each line entering or leaving a breakout storage tank area in a manner that permits isolation of the tank area from other facilities.**
- (c) On each mainline at locations along the pipeline system that will minimize damage or pollution from accidental hazardous liquid discharge, as appropriate for the terrain in open country, for offshore areas, or for populated areas.**
- (d) On each lateral takeoff from a trunk line in a manner that permits shutting off the lateral without interrupting the flow in the trunk line.**
- (e) On each side of a water crossing that is more than 100 feet (30 meters) wide from high-water mark to high-water mark unless the Administrator finds in a particular case that valves are not justified.**
- (f) On each side of a reservoir holding water for human consumption.**

**§195.452 Pipeline integrity management in high consequence areas.**

- (i) What preventive and mitigative measures must an operator take to protect the high consequence area?**
  - (1) General requirements. An operator must take measures to prevent and mitigate the consequences of a pipeline failure that could affect a high consequence area. These measures include conducting a risk analysis of the pipeline segment to identify additional actions to enhance public safety or environmental protection. Such actions may include, but are not limited to, implementing damage prevention best practices, better monitoring of cathodic protection where corrosion is a concern, establishing shorter inspection intervals, installing EFRDs on the pipeline segment, modifying the systems that monitor pressure and detect leaks, providing additional training to personnel on response procedures, conducting drills with local emergency responders and adopting other management controls.**
  - (2) Risk analysis criteria. In identifying the need for additional preventive and mitigative measures, an operator must evaluate the likelihood of a pipeline release occurring and how a release could affect the high consequence area. This determination must consider all relevant risk factors, including, but not limited to:**

- (i) Terrain surrounding the pipeline segment, including drainage systems such as small streams and other smaller waterways that could act as a conduit to the high consequence area;**
  - (ii) Elevation profile;**
  - (iii) Characteristics of the product transported;**
  - (iv) Amount of product that could be released;**
  - (v) Possibility of a spillage in a farm field following the drain tile into a waterway;**
  - (vi) Ditches along side a roadway the pipeline crosses;**
  - (vii) Physical support of the pipeline segment such as by a cable suspension bridge;**
  - (viii) Exposure of the pipeline to operating pressure exceeding established maximum operating pressure.**
- (3) Leak detection. An operator must have a means to detect leaks on its pipeline system. An operator must evaluate the capability of its leak detection means and modify, as necessary, to protect the high consequence area. An operator's evaluation must, at least, consider, the following factors-length and size of the pipeline, type of product carried, the pipeline's proximity to the high consequence area, the swiftness of leak detection, location of nearest response personnel, leak history, and risk assessment results.**
- (4) Emergency Flow Restricting Devices (EFRD). If an operator determines that an EFRD is needed on a pipeline segment to protect a high consequence area in the event of a hazardous liquid pipeline release, an operator must install the EFRD. In making this determination, an operator must, at least, consider the following factors-the swiftness of leak detection and pipeline shutdown capabilities, the type of commodity carried, the rate of potential leakage, the volume that can be released, topography or pipeline profile, the potential for ignition, proximity to power sources, location of nearest response personnel, specific terrain between the pipeline segment and the high consequence area, and benefits expected by reducing the spill size.**

At the time of the inspection visit, the operator's procedures (STD. 4600) failed to include adequate procedures for how the operator determined valve placements at the locations specifically identified in the regulation, as well as the installation of EFRDs required in HCAs per integrity management regulations, but simply referenced the code portion, § 195.260, without sufficient detail in its Pipeline Design for Onshore Pipelines' Section for Mainline Block Valves 8.7.2, which merely stated,

*“(4) For liquid pipelines, mainline block valve location shall comply with the following requirements:*

*a. 49 CFR 195.260 for regulated liquid pipelines”*

The operator must revise their procedures to specifically detail those areas requiring valves to be located per regulatory requirements, as well as determined by their HCA analyses per their IM plans.

#### 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 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).

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 [number of days] 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 Enterprise Crude Pipeline, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Terri Binns, Acting Director, Southwest, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2017-5025M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Jon Manning  
Acting Director, Southwest Region  
Pipeline and Hazardous Materials Safety Administration

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