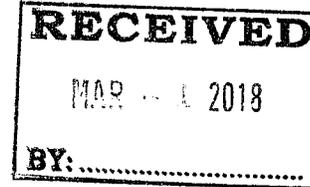




February 28, 2018

Pipeline and Hazardous Materials Safety Administration  
U.S. Department of Transportation  
8701 S. Gessner, Suite 630  
Houston, TX 77074



Attn: Ms. Mary McDaniel  
Director, Southwest Region, PHMSA

Re: CPF 4-2017-5036M  
Notice of Amendment  
Enterprise Products Operating, LLC

Dear Ms. McDaniel,

Enterprise Products Operating, LLC (Enterprise or the Company) is in receipt of the above referenced "Notice of Amendment" (NOA) dated November 2, 2017 and PHMSA's subsequent January 29, 2018 letter granting Enterprise an extension of time to respond until February 28, 2018. This letter constitutes Enterprise's timely response to the subject NOA.

**NOA Item 1:**

**§195.505 Qualification Program**

***Each operator shall have and follow a written qualification program. The program shall include provisions to***

***(i) After December 16, 2004, notify the Administrator or a state agency participating under 49 U.S.C. Chapter 601 if operator significantly modifies the program after the administrator or state agency has verified that it complies with this section. Notifications to PHMSA may be submitted by electronic mail to informationResourcesManager@dot.gov or by mail to ATTN: Information Resources Manager DOT/PHMSA? OPS, East Building, 2nd Floor, E22-321, New Jersey Avenue SE., Washington, DC 20590.***

*Enterprise Products Operating LLC failed on separate occasions in its process for notifying PHMSA of significant changes made to the OQ program. First instance was a failure in communicating across changes operator considered significant in 2011(3/16/2011) as shown on the OQ Addendum within the plan while on the other hand operator notified PHMSA in 2012, 2013, 2014 and 2016 of changes that operator did not consider significant (referenced within Addendum as not considered significant). Another failure of the process as seen in the Addendum within the OQ plan are records of some changes made within the plan that were not considered significant such as the removal of T2 training and qualification methods for various tasks (on 03/25/2010) that have been clarified in PHMSA's ADB-09-0349 and should have been considered significant. These occurrences (notifications for non-significant changes and no notifications for significant changes) can be attributed to the lack of definition and clarification within the*

*plan for what Enterprise considers to be significant changes. Enterprise has failed to update its OQ program to include a definition or clarification for what constitutes a significant change and has not incorporated into its OQ plan clarifications set forth as significant in PHMSA's ADB 2009-0349 and required in 192.805 (i).*

### **Enterprise Response to NOA Item 1:**

Section 195.505(i) provides that an operator have and follow an operator qualification program that includes a provision to notify PHMSA of any significant modification of the program. Enterprise's procedure had such a provision and the Company followed it.

In support of the NOA, PHMSA identifies an alleged failure to notify PHMSA in 2011 of significant changes that had occurred and an alleged failure to define "significant" as the potential inadequacies with the procedure. Enterprise disputes these allegations.

Enterprise submitted updated versions of the Company's Operator Qualification program to the PHMSA office in Washington, DC and regional offices on an annual basis since 2008. Specifically, Enterprise submitted an updated copy of the Company's Operator Qualification program to PHMSA in 2011. See Letter from Gerry Stratmann, Enterprise to the PHMSA Information Officer, dated June 15, 2011. This practice was initiated to ensure that the Company complied with the requirement to communicate significant changes. The term *significant* was believed to be somewhat ambiguous and subject to individual interpretation; thus, to avoid any confusion, Enterprise elected to submit the updated manual annually. Enterprise has considered this practice to go above and beyond the regulatory requirement.

In addition, the pipeline safety requirements do not require that operators define 'significant' in its Operator Qualification procedures. However, as a means of further clarification, Enterprise has modified its Appendix D – *Glossary* of the Company's Operator Qualification Manual to include the definition of 'significant' that is set forth in PHMSA's Advisory Bulletin (ADB-2009-0349).

### **NOA Item 2:**

#### ***§195.452 Pipeline Integrity management in high consequence areas***

- (e) What are the risk factors for establishing an assessment schedule (for both the baseline and continual integrity assessments)?***
- (1) An operator must establish an integrity assessment schedule that prioritizes pipeline segments for assessment (see paragraphs (d)(l) and (j)(3) of this section). An operator must base the assessment schedule on all risk factors that reflect the risk conditions on the pipeline segment. The factors the operator must consider include but are not limited to:***

*In reviewing Enterprise's Line Pipe Risk Analysis procedure (2-01L) in section 2-01.2.4 under the topic of "updating risk assessment" it shows that all risk factors being considered may not reflect the risk conditions on the pipeline segment at any given time as required under the pipeline safety rules. Reason being that while the procedure states under 2-01.2.1.1 of the section that "The Pipeline Integrity*

*Engineering Manager, Pipeline Integrity Engineering Supervisor, or Pipeline Integrity Engineer is responsible, on an annual basis, for reviewing the risk results on line pipe segment( s) in which data for the "significant" risk factors have changed. The same section of the procedure under 2-01.2.1.4 then states that "the need to update the risk results once every 5 years would be evaluated by either the Pipeline Integrity Engineering Manager, Pipeline Integrity Engineering Supervisor, or Pipeline Integrity Engineer". This procedure needs to be updated to reflect the need to update risk results in which data for the significant risk factors are discovered to have changed after the risk analysis within a more reasonable time frame and that reflects the current practice (Enterprise's personnel stated the updates are actually carried out more frequently than stated in the procedure).*

### **Enterprise Response to NOA Item 2:**

PHMSA has misinterpreted the content of Enterprise's procedure and the Company respectfully contests this alleged inadequacy. Item #2 of the NOA asserts that "...all risk factors being considered may not reflect the risk conditions on the pipeline segment at any given time as required under the pipeline safety rules." PHMSA also states that the Company's IM Procedure 2-01L "...needs to be updated to reflect the need to update risk results in which data for the significant risk factors are discovered to have changed after the risk analysis within a more reasonable time frame and that reflects the current practice...."

As reviewed during the inspection and attached for reference, IM Procedure 2-01L contains two requirements for updating and reviewing risk scores. The first of these requirements (section 2-01.2.1.1) requires an annual review of risk results in which "significant" risk factors have changed. Implicit in this requirement is a review (at least once a year) of the underlying data related to "significant" risk factors in order to identify those line segments which must be reviewed. Subsequently, per the second requirement in section 2-01.2.1.3, risk results may be updated. One of the items for consideration as a significant risk factor is the discovery of a new threat – a change that could affect scope and prioritization of future assessment activities on the segment. The second of these requirements (section 2-01.2.1.4) is that, independent of any changes to significant risk factors, the risk scores will be reviewed and updated at least once every five years if it is deemed necessary.

Enterprise's Continual Assessment Plan (CAP) was reviewed during the inspection and includes risk scores for pipeline segments. The CAP and its change log demonstrates that risk results are being updated on a frequent basis – at least once a year. The CAP shows that Enterprise has been regularly reviewing and updating risk results and demonstrates that the requirements of IM Procedure 2-01L Section 2-01.2.1.1 are adequate to ensure that, when necessary, assessment schedules are adjusted to reflect changes in risk factors.

It is Enterprise's position that IM Procedure 2-01L clearly identifies risk factor and risk score review timelines, the documents reviewed in the audit demonstrate compliance with IM Procedure 2-01L, and that reviewing data (e.g. "significant" risk factors) that could change future assessments at least once a year is reasonable and compliant. As such, it is Enterprise's position that no change to IM Procedure 2-01L is required. Enterprise requests that PHMSA withdraw this alleged inadequacy.

**Safety Improvement Costs:**

*It is requested (not mandated) that Enterprise Products Operating, LLC maintain documentation of safety improvement costs associated with fulfilling this Notice of Amendment and submit the total to Terri Binns, Acting Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to CPF 4-2017-5036M and, for each document you submit, please provide a copy in electronic format whenever possible.*

**Enterprise Response to Safety Improvement Costs:**

Enterprise experienced no additional cost to amend the OQ programs and procedures provided in response to this letter other than the normal cost of personnel time.

Should you have any questions, require further information in connection with the above or wish to discuss this matter in greater detail, please do not hesitate to contact our office. Enterprise welcomes the opportunity to discuss this response with PHMSA.

Sincerely,



Graham W. Bacon  
Executive Vice President, Operations & Engineering

Attachments:

- Letter from Gerry Stratmann, Enterprise to Information Officer, PHMSA, dated June 15, 2011
- Enterprise Operator Qualification Manual Appendix D *Glossary*
- Enterprise IM Procedure 2-01L *Line Pipe Risk Analysis Procedure*