



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 S. Gessner, Suite 630
Houston, TX 77074

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 3, 2018

Graham Bacon
Executive Vice President
Enterprise Products Operating, LLC
1100 Louisiana Street
Houston, Texas 77002

CPF 4-2018-5009

Dear Mr. Bacon:

On January 9, 2017 through May 24, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your procedures for operations and maintenance in Houston, Texas.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

1. **§195.575 – Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?**

(e) If a pipeline is in close proximity to electrical transmission tower footings, ground cables or counterpoise or in other areas where it is reasonable to foresee fault currents or an unusual risk of lightning, you must protect the pipeline against damage from fault currents or lightning and take protective measures at insulating devices.

Enterprise failed to evaluate the potential threat and effect of fault currents and lightning on their Chaparral pipeline system. During the PHMSA field inspection, the pipeline was observed to be in close proximity to electrical transmission power lines for a considerable length of miles between Mont Belvieu and Bryan Texas. Enterprise did not provide any records to demonstrate that the line was protected from the damage due to the effect of fault currents and lightning.

During a meeting with Enterprise personnel on April 17, 2018, Enterprise provided a new procedure CPP-GEN-06 – AC Fault and Lightning evaluation for existing pipelines. The procedure includes an initial release date of April 11, 2018, and provides a standardized method of evaluating the risk of damage on existing pipelines due to high voltage power line (HVPL) fault currents or lightning effects. On April 19, 2018, Enterprise submitted a summarized report of evaluation done for the C81- Chaparral line using the new CPP-GEN-06 procedure.

Proposed Compliance Order

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists, up to a maximum of \$2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to propose a civil penalty assessment at this time.

With respect to item 1 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Enterprise Products Operating, LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

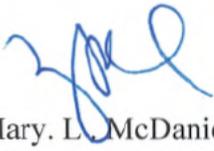
Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. 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, or request a hearing under 49 CFR § 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 a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 4-2018-5009** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in blue ink, appearing to read 'MLM', is positioned above the typed name.

Mary. L. McDaniel, P. E.
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Enterprise Products Operating, LLC, a Compliance Order incorporating the following remedial requirements to ensure the compliance of Enterprise Products Operating, LLC with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to providing protection to pipelines in close proximity to electrical transmission power footings, ground cables or counterpoise or in areas where it is reasonable to foresee fault currents or an unusual risk of lightning, Enterprise Products Operating, LLC shall:
 - (i) Review the current AC Fault and Lightning Evaluation for Existing Pipelines, Enterprise Corrosion Prevention Program CPP-GEN-06 to ensure that the procedures provide adequate guidance, details and record how existing pipelines are being evaluated for their protection against the threat of AC fault currents and lightning.
 - (ii) Provide a copy of the management of change documentation that shows the procedure is effective and the date it became effective.
2. Item 1 shall be submitted to PHMSA no later than 30 days from the issuance of the Final Order in this case.
3. It is requested (not mandated) that Enterprise Products Operating, LLC maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mary McDaniel, 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.