

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

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

April 3, 2019

Eric Amundsen  
Senior Vice President of Operations  
Energy Transfer  
1300 Main Street  
Houston, Texas 77002

**CPF 4-2019-1005**

Dear Mr. Amundsen:

From February 5, 2018 to November 6, 2018, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Trunkline Gas Company's operating procedures, integrity management plan, records and conducted a field evaluations in Texas, Louisiana, Arkansas, Mississippi, Kentucky, Tennessee, and Illinois.

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. §192.905 How does an operator identify a high consequence area?

**(b)(1) Identified sites. An operator must identify an identified site, for purposes of this subpart, from information the operator has obtained from routine operation and maintenance activities and from public officials with safety or emergency response or planning responsibilities who indicate to the operator that they know of locations that meet the identified site criteria. These public officials could include officials on a local emergency planning commission or relevant Native American tribal officials.**

Trunkline failed to identify two sites as High Consequence Areas (HCA) on their Cypress Discharge segment. Trunkline failed to follow their written SOP *B.13 Surveillance for Class Location and HCA Determination* referenced in their Pipeline Integrity Management Plan Section 3 Identification of High Consequence Area (HCAs) & Identified Sites, and *Best Practice B.17 Determining High Consequence Areas* referenced by SOP B.13.

Specifically, Trunkline failed to identify the Explorers Club Child Care/Preschool (Preschool) located at 22903 Springwoods Village Parkway in Spring, Texas and The Mark at City Place Springwoods Village Apartments (Village Apartments) located at 1600 Springwoods Plaza Drive in Spring, Texas which are within their calculated PIR.

In May 2018, during the review of Trunkline's high consequence area mapping, two identified sites were found within the PIR and were not classified as high consequence areas. Both sites were in Trunkline's pipeline PIR and within .3 miles of each other.

The record does not show the Preschool nor the Village Apartments were visited by personnel and shows an Occupancy Count was not confirmed as required by Trunkline's SOP *B.13 Surveillance for Class Location and HCA Determination* and *Best Practice B.17 Determining High Consequence Areas*. Trunkline's HCA maps, Forms, HCA Tracker, surveillance, along with PHMSA's ArcMap, and NPMS confirm Trunkline failed to identify HCA sites by failing to follow their IMP process and SOP manual.

Proposed Compliance Order

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$213,268 per violation per day the violation persists, up to a maximum of \$2,132,679 for a related series of violations. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. 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. For each violation involving LNG facilities occurring on or after November 2, 2018 and before November 27, 2018, an additional penalty of not more than \$76,352 may be imposed. For each violation involving LNG facilities occurring prior to November 2, 2015, an additional penalty of not more than \$75,000 may be imposed. For each violation involving LNG facilities occurring prior to November 2, 2015, an additional penalty of not more than \$75,000 may be imposed.

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 Trunkline Gas Company. 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 4-2019-1005** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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 Trunkline Gas Company a Compliance Order incorporating the following remedial requirements to ensure the compliance of Trunkline Gas Company with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to failing to identify sites as High Consequence Areas Trunkline must provide additional training to their personnel involved in the surveillance, data collection activities and analysis required to determine high consequence areas.

Trunkline must complete the required additional training within 90 days of the date of the Final Order and provide PHMSA Southwest Region with documentation confirming Item 1 has been achieved.

2. It is requested (not mandated) that Trunkline Gas Company 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.