

January 14, 2020

Mr. Kelcy L. Warren
Chief Executive Officer
Energy Transfer, LP
8111 Westchester Drive
Dallas, Texas 75225

Re: CPF No. 4-2019-5016

Dear Mr. Warren:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation, finds that the civil penalty amount of \$73,600 has been paid in full, and specifies actions that need to be taken by Lone Star NGL, LLC, a subsidiary of Energy Transfer, LP, to comply with the pipeline safety regulations. When the terms of the compliance order are completed, as determined by the Director, Southwest Region, this enforcement action will be closed. Service of the Final Order by certified mail is effective upon the date of mailing as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosures (Final Order and NOPV)

cc: Ms. Mary McDaniel, Director, Southwest Region, Office of Pipeline Safety, PHMSA
Mr. Eric Amundsen, Senior Vice President – Operations, Energy Transfer, LP
Mr. Mark Milliken, Vice President – Technical Services, Energy Transfer, LP
Mr. Danny Nichols, Senior Director – Regulatory Compliance, Energy Transfer, LP
Mr. Chris Lason, Vice President – Asset Integrity, Energy Transfer, LP
Mr. Delyn Houder, Senior Manager – Corrosion Services, Energy Transfer, LP
Mr. Todd Nardozi, Senior Manager – Regulatory Compliance, Energy Transfer, LP

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)	
)	
Lone Star NGL, LLC,)	CPF No. 4-2019-5016
a subsidiary of Energy Transfer, LP,)	
)	
Respondent.)	

FINAL ORDER

On August 12, 2019, pursuant to 49 C.F.R. § 190.207, the Director, Southwest Region, Office of Pipeline Safety (OPS), issued a Notice of Probable Violation (Notice) to Lone Star NGL, LLC (Respondent). The Notice proposed finding that Respondent had violated the pipeline safety regulations in 49 C.F.R. Part 195 and proposed a civil penalty of \$73,600. The Notice also proposed certain measures to correct the violations. Respondent did not contest the allegations of violation or corrective measures, and paid the proposed civil penalty on September 30, 2019. In accordance with § 190.208(a)(1), such payment authorizes the entry of this final order.

Based upon a review of all of the evidence, pursuant to § 190.213, I find Respondent violated the pipeline safety regulations listed below, as more fully described in the enclosed Notice, which is incorporated by reference:

49 C.F.R. § 195.402(a) **(Item 1)** — Respondent failed to follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities by failing to properly document atmospheric corrosion inspections;

49 C.F.R. § 195.452(b)(5) **(Item 2)** — Respondent failed to implement and follow its Integrity Management Plan (IMP) by failing to conduct periodic evaluations to assure pipeline integrity pursuant to its IMP and § 195.452(j); and

49 C.F.R. § 195.452(l) **(Item 5)** — Respondent failed to maintain, for the useful life of the pipeline, documents to support the decisions and analyses regarding Emergency Flow Restricting Device installation(s) on the segments that could affect a high consequence area and records regarding risk analyses.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent. In accordance with 49 C.F.R. § 190.223, Respondent is

assessed the proposed civil penalty amount of \$73,600, which Respondent has already paid in full.

Pursuant to 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the actions proposed in the enclosed Notice to correct the violations. 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. Upon completion of ordered actions, Respondent may request that the Director close the case. Failure to comply with this Order may result in the assessment of civil penalties under 49 C.F.R. § 190.223 or in referral to the Attorney General for appropriate relief in a district court of the United States.

With respect to Items 3, 4, and 6, the Notice alleged a probable violation of Part 195 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 195.452(b)(5) (**Item 3**) — Respondent's alleged failure to implement and follow its written IMP regarding reassessment intervals;

49 C.F.R. § 195.452(b)(5) (**Item 4**) — Respondent's alleged failure to implement and follow its written IMP regarding annual evaluations of its program; and

49 C.F.R. § 195.583(a) (**Item 6**) — Respondent's alleged failure to inspect each onshore pipeline or portion of onshore pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every three calendar years, but with intervals not exceeding 39 months.

If OPS finds a violation of these provisions in a subsequent inspection, Respondent may be subject to future enforcement action.

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

January 14, 2020

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued