

October 16, 2020

VIA ELECTRONIC MAIL TO: gbacon@eprod.com

Mr. Graham W. Bacon
Executive Vice President and Chief Operating Officer
Enterprise Products Operating, LLC
1100 Louisiana Street
Houston, Texas 77002

Re: CPF No. 4-2019-5021

Dear Mr. Bacon:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and specifies actions that need to be taken by Enterprise Products Operating, LLC to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Southwest Region, this enforcement action will be closed. Service of the Final Order by e-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

Enclosure

cc: Ms. Mary McDaniel, Director, Southwest Region, Office of Pipeline Safety, PHMSA
Mr. Jeff Morton, Senior Director, Transportation Compliance, Enterprise Products
Operating, LLC, jcmorton@eprod.com

CONFIRMATION OF 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)

Enterprise Products Operating, LLC,)
a subsidiary of Enterprise Products Holdings, LLC,)

CPF No. 4-2019-5021

Respondent.)

FINAL ORDER

From March 25 through August 9, 2019, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Enterprise Products Operating, LLC's (Enterprise or Respondent) Rio Grande Pipeline System in west Texas. Enterprise Products Operating, LLC, a subsidiary of Enterprise Products Holdings, LLC, owns and operates an approximately 250-mile long, 8-inch diameter highly volatile liquid (HVL) pipeline in southwest Texas.¹

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated November 4, 2019, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Enterprise had violated 49 C.F.R. § 195.402(a) and proposed ordering Respondent to take certain measures to correct the alleged violation.

After requesting and receiving an extension of time to respond, Enterprise responded to the Notice by letter dated January 27, 2020 (Response). The company requested clarification as to the nature of the alleged violation, and offered additional information in response to the Notice.

On February 21, 2020, Enterprise provided a supplemental response to PHMSA that stated the company's understanding of what measures needed to be taken to comply with the Notice (Supplemental Response). Respondent did not request a hearing and therefore has waived its right to one.

¹ Pipeline Safety Violation Report (Violation Report) at 1 (Nov. 5, 2019) (on file with PHMSA).

FINDING OF VIOLATION

The Notice alleged that Respondent violated 49 C.F.R. Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.402(a), which states:

§ 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) *General.* Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

The Notice alleged that Respondent violated 49 C.F.R. § 195.402(a) by failing to prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities. Specifically, the Notice alleged that Enterprise failed to follow its Engineering Standards 9006, *Pipeline Defect Evaluation and Repair* (STD 9006), Section 5.0 “Available Repair Methods,” which allows the use of a bolt-on clamp as a temporary repair method.² On May 20, 2015, Enterprise repaired a girth weld leak on its Rio Grande Pipeline with a temporary bolt-on clamp, noting on Form 140-Maintenance Report, AFE No. A 20060 that the repair was “a temporary PLIDCO clamp . . . installed over GW 41120 for operations to be cut out at a later time.” As of the date of the PHMSA inspection, the temporary bolt-on clamp had not been replaced with a permanent method of repair.

In its Response, Enterprise requested clarification regarding the nature of the alleged violation. Enterprise noted that Part 195 and the company’s manual of written procedures for conducting normal operations and maintenance activities does not specify a time frame in which temporary repairs must be made permanent. Enterprise also noted that it utilizes a combination of techniques to continually monitor the integrity of its temporary clamp repair, including patrolling, cathodic protection and monitoring, internal corrosion monitoring, and integrity assessments such as in-line inspections.³ After speaking with the Director on the telephone on February 13, 2020, the company sent a Supplemental Response that listed three items Enterprise believed it needed to follow to satisfy PHMSA’s concerns: (1) develop an inventory of temporary repairs within Rio Grande Pipeline system; (2) develop an inspection schedule to monitor temporary repair locations; and (3) using sound engineering practices, establish intervals for interim inspections until a permanent repair is implemented.⁴

² Violation Report, at 29.

³ Response, at 1.

⁴ Supplemental Response, at 1.

Section 5.0 of Enterprise's STD 9006 on "Available Repair Methods" specifically addresses how to make temporary bolt-on clamp repairs permanent. Section 5.0(1)(e) lists several acceptable options, including "[i]n certain cases, it may be possible to justify designating a bolt-on clamp as a permanent repair. Written approval from the Manager of Pipeline Integrity or designee is required." There is no document in the record, however, indicating that Enterprise received written approval from necessary personnel to make the repair permanent. Nor is there anything in the record demonstrating that the company implemented any of the other enumerated measures set forth in STD 9006 Section 5.0(1)(e) to make the temporary repair permanent.

In its Response, Enterprise noted that its written procedures do not specify a time frame for making temporary repairs permanent. Since Enterprise does not otherwise define the term "temporary" in its written procedures, the term should be given its ordinary meaning. The Merriam-Webster Dictionary defines "temporary" as "lasting for a limited period of time."⁵ In this case, Enterprise utilized a temporary bolt-on clamp repair for approximately five years, which is far beyond a limited period of time. Accordingly, after considering all of the evidence, I find that Respondent violated 49 C.F.R. § 195.402(a) by failing to follow its manual of written procedures for the use of a bolt-on clamp as a temporary repair.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49 C.F.R. § 195.402(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601.

With regard to the violation of § 195.402(a) (Item 1), Respondent submitted a Supplemental Response in which it stated that it understands the following items are required to satisfy PHMSA's concerns, including (1) developing an inventory of temporary repairs within the Rio Grande Pipeline system; (2) developing an inspection schedule to monitor temporary repair locations; and (3) using sound engineering practices, establish intervals for interim inspections until a permanent repair is implemented. I note, however, that this list does not include the first requirement listed in the Proposed Compliance Order, which proposed that Enterprise replace the temporary bolt-on clamp with a permanent repair method or perform an acceptable option for making the repair permanent set forth in Section 5.0(1)(e).

In its Response, Enterprise stated that it used several methods to assess the integrity of the temporary repair. However, none of the listed activities in Enterprise's Response comport with the requirements in Section 5.0(1)(e). Enterprise did not submit any additional evidence to demonstrate why the requirement to permanently repair the temporary bolt-on clamp was no

⁵ Merriam-Webster Dictionary, available at <https://www.merriam-webster.com/dictionary/temporary> (last accessed October 6, 2020).

longer needed. Therefore, the Compliance Order is not modified.

Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 195.402(a) (**Item 1**), Respondent must:
 - (a) Replace, on its Rio Grande Pipeline System, the temporary PLIDCO bolt-on clamp with a permanent repair method or perform an acceptable option for making bolt-on clamps a permanent repair, as prescribed in STD 9006;
 - (b) Review previous repairs made on its pipeline systems in the past five years to determine if any temporary repairs remain. If so, Enterprise shall provide a list of those temporary repairs identified along with its plans for remedial action; and
 - (c) Revise its procedure STD 9006 to include a time frame for making permanent repairs or accepting the repair as permanent per its existing procedure.
 - (d) Within 90 days following the receipt of this Final Order, Enterprise must provide PHMSA Southwest Region with documentation that verifies completion of Item 1(a)-(c) of this Compliance Order.

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.

It is requested (not mandated) that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. 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.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address, no later than 20 days after receipt of service of this Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay.

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

October 16, 2020

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued