



**By Electronic Mail**

October 13, 2020

Mr. Alan K. Mayberry  
Associate Administrator for Pipeline Safety  
U.S. Department of Transportation  
Pipeline and Hazardous Materials Safety Administration  
1200 New Jersey Avenue, S.E.  
Washington, DC 20590

**Re: Florida Gas Transmission Company  
Amended Corrective Action Order, CPF 4-2020-008-CAO  
Request for Hearing**

Dear Mr. Mayberry:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) issued the above referenced Amended Corrective Action Order (ACAO) to Florida Gas Transmission Company (FGT or the Company) on October 1, 2020. FGT is an Energy Transfer (ET) affiliate company. PHMSA first issued a CAO to FGT on September 18, 2020 in conjunction with an incident that occurred on September 10, 2020 on its 12-inch Sanford Lateral located in Sanford, Florida (Incident 1). PHMSA then issued the above referenced ACAO to FGT, in response to the September 24, 2020 incident that occurred on its 18-inch FLMEA-21 line located in Lake Worth, Florida (Incident 2), which supersedes the CAO.

Because the PHMSA Southwest Region and FGT have not been available to meet prior to today to discuss several significant issues and clarifications that require revision, and in order to preserve its rights, FGT is formally responding to the ACAO with this letter and requesting a hearing pursuant to 49 C.F.R. § 190.233(b) and (c). Based on our ongoing discussions with the Region with respect to the initial CAO, as well as our discussion on the ACAO earlier today, FGT is hopeful that the parties can achieve resolution on these issues that addresses the Company's concerns in a Second Amended CAO. For that reason, FGT respectfully requests that PHMSA allow the Southwest Region and FGT sufficient time to address the Company's concerns and delay scheduling a hearing. In the interim, FGT is filing this Request for Hearing and Statement of Issues.

FGT fully expects that the parties will reach resolution on these issues, however, and once an agreement is formalized, either this request for hearing will become moot and/or FGT would withdraw it.

## **Request for Hearing**

In the event the parties are unable to informally reach a resolution, FGT is timely filing this Request for Hearing because certain provisions and statements contained in the ACAO warrant modification and/or clarification based on both the statutory and regulatory requirements for factors to be considered in issuing a CAO and the scope of corrective actions. Modifications to the ACAO are necessary to comply with applicable law and better guide both PHMSA and FGT during implementation of the order, as well as to make a number of factual corrections. Accordingly, FGT intends to raise the following issues at the Hearing.

## **Statement of Issues**

### **1. ACAO Scope and Definitions: “Incident 2 Affected Pipeline” (ACAO, Definitions, p. 3)** *(“Means the entire 67.04 miles of the 18-inch FLMEA-21 pipeline and the 60.2 miles of the 24-inch FLMEB-21 pipeline”)*

The definition of “Incident 2 Affected Pipeline” is overly broad regarding the 18-inch FLMEA-21 pipeline because the mileage listed in the CAO appears to include a newer vintage of 36-inch mainline downstream of MLV 20-5R and a portion of the 18-inch pipeline that is already subject to a lower maximum allowable operating pressure (MAOP) (722 psig) than the segment of the 18-inch pipeline that experienced the failure. Second, the definition includes within its scope 60.2 miles of the 24-inch FLMEB-21 pipeline which does not exhibit any characteristics similar to the pipe that ruptured on September 24, 2020. For these reasons, FGT would propose to revise the “Incident 2 Affected Pipeline” to “the entire 33.3 miles of the 18-inch FLMEA-21 pipeline from compressor station 21 to receiver valve 20-5R and the 15.4 miles of the 24-inch FLMEB-21 pipeline from MLV 20-3A to MLV 20-4A.” This definition more appropriately excludes the 36-inch and 18-inch lower MAOP pipe downstream of receiver valve 20-5R and limits the inclusion of the 24-inch FLMEB-21 pipeline to the segment parallel to the segment of the 18-inch FLMEA-21 pipeline which experienced the failure and that is defined as the “Isolated Segment” for Incident 2.

### **2. Factual Corrections and Clarifications**

There are several inaccurate factual references and other errors contained in the ACAO which FGT requests be corrected or clarified, including the following:

No.	ACAO Reference	FGT Correction/Clarification
1.	Corrective Actions Item 2.a (“Operating Pressure Restriction of the Affected Pipelines”) (ACAO, p. 7)	“the operating pressure along the pipeline will not exceed <u>eighty percent (80%)</u> <del>twenty (20%)</del> of the actual operating pressure in effect immediately prior to the failure on September 24, 2020.
2.	Preliminary findings for “Incident 1.” (ACAO, p. 2)	The rupture occurred near mile post 15 on the 12-inch Sanford Lateral (12-inch line or Sanford Lateral) that feeds a Duke Energy Power Plant and <u>several LDC meter stations</u> , (not just the Sanford Florida Public Utilities as presently stated in the ACAO.)

No.	ACAO Reference	FGT Correction/Clarification
3.	Preliminary findings for “Incident 2.” (ACAO, p. 2)	“The rupture occurred approximately 350 feet north of the intersection of the Florida Turnpike <u>exit ramp</u> and Lake Worth Road in Lake Worth, Florida”
4.	Preliminary findings for “Incident 2” and FLMEB-21 pipeline, 4 <sup>th</sup> and 5 <sup>th</sup> bullets. (ACAO, pp. 4-5)	<p>The FLMEA-21 pipeline supplies gas to <u>power plants, industrial facilities, and LDC’s in South Florida.</u> (not three power plants and four regulator stations that supply natural gas to local distribution systems as stated in the ACAO)</p> <p>The 18-inch FLMEA-21 pipeline that shares the ROW with FGT’s 24-inch (FLMEB-21) and which runs parallel to the FLMEA-21 pipeline and is located approximately 20 feet away. The FLMEB-21 pipeline experienced no apparent collateral damage due to Incident 2.</p> <p>The FLMEA-21 pipeline is currently shut in between FGT’s Main Line Valve (MLV) 20-3 and MLV 20-4, approximately 15 miles. <u>The mainline segment is shut in (no flow) and isolated from the FLMEB-21 mainline from CS 21(MP 838.5) to MLV 20-5R.</u> (not At MLV 20-3 there is a crossover to the FLMEB-21 24-inch and another crossover at MLV 20-4 to revert back to the FLMEA-21 18-inch as stated in the ACAO).</p>
5.	Preliminary findings for “Incident 2” and FLMEA-21 pipeline, 7 <sup>th</sup> bullet. (ACAO, p. 5)	In <u>2017</u> , (not 2018 as stated in the ACAO) FGT performed on ILI of the FLMEA-21 pipeline which showed no actionable anomalies, not 2018 as noted in the ACAO.
6.	Preliminary findings for “Incident 2” and FLMEB-21 pipeline, 10 <sup>th</sup> bullet. (ACAO, p. 5) (“There have been two reportable incidents on the FLMEA-21 pipeline since 2009 that were attributed to Stress Corrosion Cracking (SCC). The first was in May 2009 in Palm City, Florida, which resulted in a rupture of the pipeline. The second was a leak on the pipeline that occurred in December 2012 in Lake Worth, Florida. The 2012 leak was approximately 400-feet north of the rupture site for Incident 2.”)	<p>This preliminary findings contain a number of errors. To correct these the following language is suggested:</p> <p>There has been one reportable incident on the FLMEA-21 pipeline since 2012 that was attributed to Stress Corrosion Cracking (SCC). The reportable incident was a leak on the pipeline that occurred in December 2012 in Lake Worth, Florida. The 2012 leak was approximately 400-feet north of the rupture site for Incident 2.</p> <p>Florida Gas experienced two in service incidents on pre-1970 LF-ERW pipe manufactured by Youngstown Sheet and Tube. lines. One was occurred in 2009 on the FLMEA-20 18” mainline and resulted in Corrective Action Order CPF Nos. 2-2009-1002H and one occurred in 2012 on the FLMEA-18 20” mainline and resulted in Corrective Action Order CPF Nos. 2-2012-1005H.</p>
6.	Preliminary findings for “Incident 2” and FLMEB-21 pipeline, 11 <sup>th</sup> bullet. (ACAO, p. 5) (“PHMSA issued Corrective Action Orders (CPF Nos. 2-2009-1002H and 2-2012- 1005H) for each of the previous two failures on the FLMEA-21 pipeline.”)	These references are both incorrect and should be omitted. CPF No. 2-2009-1002H was issued in response to a failure on the FLMEA- <u>20</u> pipeline, and CPF No. 2-2012-1005H was issued in response to a 2012 failure on FLMEA- <u>18</u> due to a pre-existing hook crack and a hard spot.

## Summary

FGT appreciates the Agency's willingness to meet on October 13, 2020 to discuss these issues and believes that with additional time the parties can come to an agreement on relevant modifications and clarifications. The Company remains committed to ensuring the safe, reliable, and environmentally-sound operation of its pipeline system, and as such, FGT fully expects that resolution of the above issues will be reached with PHMSA without resort to a hearing.

In order to preserve its legal rights and to ensure that its requests for revision of the ACAO can be further evaluated and discussed with the PHMSA Southwest Region, FGT is nevertheless timely requesting a hearing under 49 C.F.R. § 190.233(b) and (c) to allow time for the parties to come to an agreement on the issues. Pursuant to 49 C.F.R. §§ 190.233(c)(3) and 190.209, FGT requests a copy of the case file in this matter. In submitting this Request for Hearing and Statement of Issues, FGT is not admitting or denying the factual and legal allegations set forth in the ACAO or waiving any rights available to it. If the parties ultimately proceed to a hearing, FGT will be represented by in-house counsel and outside counsel with Troutman Pepper.

FGT will continue to work collaboratively with the PHMSA Southwest Region. If you have any questions, please do not hesitate to contact me. Thank you for your consideration of this response and for your cooperation in response to these incidents.

Sincerely,

Todd Nardozzi  
Director – Regulatory Compliance  
Energy Transfer

cc: Ms. Linda Daugherty, Deputy Associate Administrator for Field Operations, PHMSA  
Ms. Mary McDaniel, Director, Southwest Region, PHMSA  
Mr. Eric Amundsen, SVP Operations, ET  
Mr. David Shellhouse, VP Operations, FGT/ET  
Mr. Mark Milliken, VP Technical Services, ET  
Ms. Catherine Little, Troutman Pepper, LLP