

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

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

August 3, 2022

Graham W. Bacon
Group SVP, Operations & EHS&T
Enterprise Crude Pipeline, LLC
1100 Louisiana Street
Houston, Texas 77002

CPF 4-2022-001-NOPV

Dear Mr. Bacon:

From August 25, 2021 through January 25, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), conducted an investigation following the report of a hazardous liquid release from Enterprise Crude Pipeline LLC's (Enterprise) 24-inch pipeline located inside the Texas City Pump Station in Galveston County, Texas. On April 20, 2021, Enterprise experienced an unplanned release at its Texas City CMS Pump Station, where the total estimated property damage was \$225,100. The accident investigation included a review of Enterprise's operations and maintenance records and procedures.

As a result of the investigation, it is alleged that Enterprise has committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (C.F.R.). The item investigated and the probable violation is:

- 1. § 195.579 - What must I do to mitigate internal corrosion?**
 - (a) ...
 - (b) Inhibitors. If you use corrosion inhibitors to mitigate internal corrosion, you must-**
 - (1) Use inhibitors in sufficient quantity to protect the entire part of the *pipeline system* that the inhibitors are designed to protect;**
 - (2) Use coupons or other monitoring equipment to determine the effectiveness of the inhibitors in mitigating internal corrosion; and**

(3) Examine the coupons or other monitoring equipment at least twice each calendar year, but with intervals not exceeding 7 1/2 months.

Enterprise failed to ensure the effectiveness of its internal corrosion control monitoring program in accordance with § 195.579(b) to mitigate internal corrosion. On April 20, 2021, Enterprise experienced an internal corrosion leak on its 24-inch pipeline at its Texas City Pump Station in Galveston County, Texas. Specifically, Enterprise failed to use inhibitors or failed to use inhibitors in sufficient quantity to mitigate internal corrosion in its 24-inch pipeline.

During the investigation, Enterprise provided *FIMP IA-01, Facility Information Analysis Report, facility ID TXXX1325*. Section 2.1.8.1 of this report failed to indicate the most recent inspection date, stating it was “Unknown.” Section 2.1.8.3 of the *FIMP IA-01* documented that Enterprise injected corrosion inhibitors and used internal corrosion monitoring devices at this facility. However, this report failed to indicate whether corrosion rates exceeded the threshold (1 MPY) in the last three years. Subsequently, Enterprise provided an inspection report for the coupon installed at this facility and it appears that the location of the coupon was not directly associated with its 20-inch pipeline.

Enterprise failed to determine the effectiveness of its internal mitigation system for the 20-inch pipeline. As a result, Enterprise experienced a release due to internal corrosion on 24-inch CMS Station Piping located at the Texas City Pump Station on April 20, 2021.

Proposed Compliance Order

Under 49 U.S.C. § 60122 and 49 C.F.R. § 190.223, you are subject to a civil penalty not to exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021, and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violations occurring on or after January 11, 2021, and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violations occurring on or after July 31, 2019, and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violations occurring on or after November 27, 2018, and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violations 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.

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 Crude Pipeline, 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 Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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 C.F.R. § 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 4-2022-001-NOPV** 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 Enforcement Proceedings

cc: Jeff Morton, Senior Director, Transportation Compliance, Enterprise Products Operating, LLC,
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Ryan Tschannen, Pipeline Compliance Engineer, Enterprise Products Operating, LLC,
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PROPOSED COMPLIANCE ORDER

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

- A. With regard to Item 1 of the Notice pertaining to Enterprise's failure to mitigate internal corrosion by ensuring the effectiveness of its internal corrosion control monitoring program, Enterprise must:
 - 1. Create and implement procedures that require a facility integrity assessment at least once every five (5) years;
 - 2. Create and implement procedures that require all documents and records related to internal corrosion control to be reviewed and approved to ensure all information has been properly documented;
 - 3. Provide documentation of the analysis and determination of existing corrosion rates, along with commensurate engineering justified application rates, for the proposed inhibitors and biocides to be used in the control of internal corrosion; and
 - 4. Complete the documentation of the analysis and determination as part of the examination of the coupons or other monitoring equipment.

- B. Regarding Item A of this Compliance Order, Enterprise must submit the review and written program to Mary L. McDaniel, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration within **45** days of the issuance of the Final Order.

It is requested (not mandated) that Enterprise maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Mary L. McDaniel, P.E., 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.