



ENERGY TRANSFER

11-23-16 P12:55 RCVD
Energy Transfer Company
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Nathan.Hlavaty@energytransfer.com

November 23, 2016

Chris Hoidal
Director, Western Region
Pipeline Hazardous Materials Safety Administration (PHMSA)
Office of Pipeline Safety
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

RE: CPF No. CPF-5-2016-1003W
Transwestern Pipeline Company LLC – Warning Letter

Dear Mr. Hoidal,

Transwestern acknowledges receipt of the PHMSA Warning Letter dated October 26, 2016.

Please see the responses below for each of the items noted.

Item 1 - Energy Transfer failed to track the number of locate request tickets it receives in HCAs and integrate that data as part of the process to evaluate the threat of Third Party Damage. This evaluation is required in order to implement and evaluate comprehensive additional preventive measures to mitigate the threat of third party damage.

TW Response - Transwestern has made the appropriate provisions to insure that all one call/encroachments are appropriately integrated and will be fully utilized during assessments, reassessments, and preventive/mitigative processes contained within its Integrity Management Plan.

Item 2 - As revealed by the annual Cathodic Protection Surveys, casings were not electrically isolated or "shorted" to the pipeline at multiple pipeline locations for the time period between 2012 and 2015, the interval covered during this inspection. The casings must either be electrically isolated from the carrier pipeline or cathodically protected as a single unit.

TW Response – Transwestern has updated its Standard Operating Procedures to address this issue thus insuring that a remediation plan is in place within six months upon the discovery of such conditions. Transwestern is currently developing and implementing plans to address the multiple locations discovered during the audit.

Sincerely,

Nathan Hlavaty
Director – Interstate Regulatory Compliance
Energy Transfer - Transwestern Pipeline