U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.771.7800

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

May 4, 2017

Mr. Graham Bacon
Group SVP, Operations & EHS&T
Enterprise Products Operating, LLC
1100 Louisiana Street
Houston, TX 77002

CPF 1-2017-5021M

Dear Mr. Bacon:

From March 21, 2016 – December 2, 2016 a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Enterprise Products Operating, LLC (Enterprise) procedures, records and pipeline facilities in Houston, Texas; Greensburg, Pennsylvania; Dubois, Pennsylvania; Lebanon, Ohio; Morgantown, Pennsylvania; Sorrento, Louisiana; Monee, Illinois; Seymour, Indiana; and Little Rock, Arkansas. On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Enterprise's plans or procedures, as described below:

1. **§195.202 Compliance with specifications or standards**

   Each pipeline system must be constructed in accordance with comprehensive written specifications or standards that are consistent with the requirements of this part.

Enterprise's construction procedures were inadequate in that they failed to specify inspection requirements. Specifically, Enterprise's Project Coordination and Inspection Standard 8503 procedure (Procedure) was inadequate in that it does not provide guidance on how to conduct inspections in accordance with §195.204.

§195.204 states: "Inspection must be provided to ensure that the installation of pipe or pipeline systems is in accordance with the requirements of this subpart. Any operator personnel used to perform the inspection must be trained and qualified in the phase of construction to be inspected. An operator must not use operator personnel to perform a required inspection if the operator personnel performed the construction task requiring inspection. Nothing in this section prohibits

the operator from inspecting construction tasks with operator personnel who are involved in other construction tasks."

During the inspection, the PHMSA inspector reviewed Enterprise's Procedure. The Procedure failed to include guidance on how to meet the requirements of §195.204. Enterprise personnel stated, "this statement is not included in Enterprise procedures and can be added in."

2. **§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.

Enterprise's procedures were inadequate in that they failed to provide sufficient guidance on record retention and documentation in accordance with §195.404(b)(2).

§195.404(b) states: Each operator shall maintain for at least 3 years daily operating records that indicate: (2) Any emergency or abnormal operation to which the procedures under §195.402 apply.

During the inspection, the PHMSA inspector reviewed Enterprise O&M Manual Section 801 – Abnormal Operation Procedures, dated 11/12/13 (Procedure), and the "Ten AOC [Abnormal Operating Conditions] Responder" records.

1. The Procedure states, "Written reports of abnormal operations will be maintained in the location DOT files for five (5) years."
2. The "Ten AOC Responder" records state, "Retention 2 Full Years."

The record retention period in the Procedure conflicts with the record retention period on the AOC records, as well as the requirement of §195.404(b)(2).

In addition, the Procedure failed to define where AOC's must be documented. The Procedure states, "Control Room Operations Supervision and/or the location supervisor will retain any available records that may be used to reconstruct the sequence of events surrounding an abnormal operation as defined in the section."

3. **§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.

Enterprise's procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies were inadequate. Specifically, Enterprise's procedures were inadequate in that they lack detail on leak detection.

During the inspection, the PHMSA inspector reviewed Enterprise's CPM O&M Manual, dated 03/01/11 (Procedure).

1. Appendix A of the Procedure states in part:

   "Tier III target leak threshold will be 12% leak detection in 60 minutes.

   Tier III target leak threshold will be 5% leak detection in 60 minutes."

   The Risk Level of Pipeline and Target Threshold table states in part:

   "Tier II - 5% leak detection.

   Tier III – 12% leak detection."

   The Procedure provides conflicting information for leak detection thresholds.

2. The Performance Evaluation section of the Procedure states:

   Annual analysis of existing pipeline CPM systems will be performed to determine if a pipeline system is meeting appropriate leak detection targets as defined in the company leak detection strategy (Appendix A) …"

   Appendix A is titled "Risk ranking and target threshold (60 min):" not company leak detection strategy as the reference to Appendix A. There is no link to performance evaluations data in the Appendix or elsewhere in Procedure.

3. The CPM system selection section of the Procedure states:

   "Risk scores developed by the IMP process will be used to prioritize implementations."

   The PHMSA inspector requested:

   a. Requested relevant documents on the annual leak detection review. Enterprise provided, "Leak Detection Budget Request" email correspondence. The email states, "…we have: Performed a high-risk/low-performing analysis of our current implementation…"

   b. Enterprise's procedure on its CPM risk score. Enterprise stated, "The Tier system is not used, and the company currently uses the risk model to establish high risk approach, not a Tier approach."

   The procedure conflicts with the statements and records provided by Enterprise.

4. The procedure does not provide guidance on:

   a. Provisions or modifications to leak detection for lines without SCADA located in HCA areas.

   b. Where the CPM records are maintained/documented.

4. § 195.402(c)(3) Procedural manual for operations, maintenance, and emergencies

(c) Maintenance and normal operations. The manual required by paragraph (a) of

this section must include procedures for the following to provide safety during maintenance and normal operations.

(3) Operating, maintaining and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

Enterprise's procedures for operating, maintaining and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part are inadequate. Specifically, Enterprise Miscellaneous Operating Procedures- Section 1305 Over Pressure Safety Devices and Section 1307 Breakout Tanks, dated 11/12/2013 (Procedure) failed to provide the correct API standard on how to construct and modify aboveground breakout tanks, as per §195.428(c).

§195.428(c) states:

Aboveground breakout tanks that are constructed or significantly altered according to API Std 2510 (incorporated by reference, see § 195.3) after October 2, 2000, must have an overfill protection system installed according to API Std 2510, section 7.1.2.

Both Section 1305 and 1307 of the Procedure states, "When the Company constructs or significantly modifies aboveground breakout tanks in accordance with API 2510 after October 2, 2000, an overfill protection system will be installed in accordance to API RP 2350…"

The Procedure referenced API RP 2350. The correct reference in API Std 2510 section 7.1.2.

5. §195.402(c)(3) Procedural manual for operations, maintenance, and emergencies

(c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations.

(3) Operating, maintaining and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

Enterprise's procedures for operating, maintaining and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part are inadequate. Specifically, Enterprise's Corrosion Prevention Program procedure - Rectifier Monitoring CP15, lacks adequate guidance per the requirements of §195.404(c)(3).

Per §195.404(c)(3), a record of each inspection and test required by this subpart shall be maintained for at least 2 years or until the next inspection or test is performed, whichever is longer.

During the inspection, the PHMSA inspector reviewed Enterprise's Corrosion Prevention Program procedure - Rectifier Monitoring CP15, revised 07/09/15 (Procedure) and related records. The rectifier records, were recorded on, "EPROD Survey Report Bi-Monthly Rectifier – Bond" or "January 2013."

The Procedure states:

"…Rectifier readings shall be documented on the cathodic protection log sheet and a minimum of one year's records maintained at the rectifier unless data is gathered by remote monitoring devices…"

1. The one-year documentation retention requirement in the Procedure conflicts with the 2-year requirement in §195.404(c)(3).
2. In additional follow-up communication with Enterprise, Enterprise stated, "...those inspections are recorded on the technician's rectifier inspection log."

   The requirement in the Procedure to document rectifier readings on the cathodic protection log sheet conflicts with the statements and records provided by Enterprise.

6. **§ 195.402(c)(3) Procedural manual for operations, maintenance, and emergencies.**

   (c) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations.

   (3) Operating, maintaining and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

Enterprise's procedures for operating, maintaining and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part are inadequate. Specifically, Enterprise's firefighting equipment procedure, Miscellaneous Operating Procedures Section 1306 dated 11/12/2013 (Procedure), failed to include guidance on how they maintain adequate firefighting equipment at each pump station and breakout tank area as per § 195.430.

Enterprise's Procedure lacks detail such as:

1. Documentation requirements
2. Follow-up and documentation of remedial issues
3. Record retention requirements
4. Inspection frequency
5. Personnel responsible for "Analysis" and "Approval"
6. Criteria for documentation including "Completed" and "Satisfactory" guidelines

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being 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, revised procedures, or a request for a hearing under §190.211. Failure to respond within 30 days of receipt of this Notice 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 an Order Directing Amendment. If your plans or

procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Enterprise Products Operating, LLC. maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Acting Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. In correspondence concerning this matter, please refer to **CPF 1-2017-5021M** and, whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

Robert Burrough
Acting Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*