



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Avenue SE
Washington DC 20590

OCT 15 2018

Mr. A. J. Teague
Director and Chief Executive Officer
Enterprise Products Partners, LP
1100 Louisiana Street, 10th Floor
Houston, TX 77002

Re: CPF No. 1-2017-5021M

Dear Mr. Teague:

Enclosed please find the Order Directing Amendment issued in the above-referenced case to your subsidiary, Enterprise Products Operating, LLC. It makes findings of inadequate procedures, withdraws one allegation, and requires that Enterprise amend certain portions of its operating and maintenance procedures. When the amendment of procedures has been completed, as determined by the Director, Eastern Region, this enforcement action will be closed. Service of the Order by certified 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: Mr. Robert Burrough, Director, Eastern Region, Office of Pipeline Safety, PHMSA
Mr. Graham W. Bacon, Executive Vice President, Operations & Engineering, Enterprise
Products Partners, LP

CERTIFIED MAIL - RETURN 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 Partners, LP,**

Respondent.

CPF No. 1-2017-5021M

ORDER DIRECTING AMENDMENT

From March 21 through December 2, 2016, 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 inspection of the procedures, records and facilities of Enterprise Products Operating, LLC (Enterprise or Respondent), in Houston, Texas; Greensburg, PA; Dubois, PA; Lebanon, OH; Morgantown, PA; Sorrento, LA; Monee, IL; Seymour, IN; and Little Rock, AR. Enterprise is a subsidiary of Enterprise Products Partners, LP, that provides midstream energy services to producers and consumers of natural gas, natural gas liquids (NGLs), crude oil, petrochemicals, and refined products throughout the United States. Enterprise's NGL Pipelines & Services segment operates approximately 19,668 miles of pipeline, related product-storage facilities, and NGL fractionators. Respondent's Crude Oil Pipelines & Services segment operates approximately 5,402 miles of crude-oil pipelines and storage terminals and markets crude oil.¹

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated May 4, 2017, a Notice of Amendment (Notice). In accordance with 49 C.F.R. § 190.206, the Notice proposed finding that certain of Enterprise's plans and procedures were inadequate to assure safe operation and proposed that Respondent amend its procedures for operations, maintenance and emergencies.

After requesting and receiving an extension of time, Enterprise provided a written response dated August 2, 2017 (Response). The company contested several allegations and submitted amended procedures. Respondent did not request a hearing and therefore has waived its right to one.

¹ See <https://www.enterpriseproducts.com/operations/ngl-pipelines-services/ngl-pipelines>. Current as of July 23, 2018.

FINDINGS OF INADEQUATE PROCEDURES

Item 1: The Notice alleged that Respondent's procedures were inadequate with regard to 49 C.F.R. § 195.202, which states in relevant part:

§ 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.

The Notice alleged that Respondent's construction procedures were inadequate with regard to 49 C.F.R. § 195.202 in that they failed to specify inspection requirements. Specifically, Enterprise's *Project Coordination and Inspection Standard 8503 (Procedure 8503)* did not provide guidance on how to conduct construction inspections in accordance with § 195.204. That section states:

§ 195.204. Inspection – general.

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.

In addition, the Notice alleged that during the PHMSA inspection, Enterprise personnel acknowledged that this information was not included in the company's inspection procedures.

In its Response, Enterprise did not contest the allegation and submitted an amended *Procedure 8503*. The Director reviewed the amended procedure and concluded that the inadequacies had been corrected. Accordingly, based upon a review of all the evidence, I find that Respondent's procedures were inadequate, as alleged in the Notice, but have subsequently been adequately modified. Therefore, no further action is necessary.

Item 2: The Notice alleged that Respondent's procedures were inadequate with regard to 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 Enterprise's operations and maintenance (O&M) procedures were inadequate with regard to 49 C.F.R. § 195.402(a) because they failed to provide sufficient guidance on record retention and documentation in accordance with § 195.404(b)(2), which provides that operators must maintain, for at least three years, daily operating records that indicate any emergency or abnormal operation to which the procedures under § 195.402 apply. Specifically, the Notice alleged that Respondent's *O&M Manual Section 801 – Abnormal Operation Procedures, dated 11/12/13, (Procedure 801)*, and its "*Ten AOC (Abnormal Operating Conditions) Responder*" records had conflicting record-retention periods from each other and from § 195.404(b)(2). In addition, the Notice alleged that *Procedure 801* failed to define the location where abnormal operating conditions must be documented.

In its Response, Enterprise did not contest the allegation and submitted amended procedures which removed conflicting elements and harmonized them with the requirements of § 195.404(b)(2). The Director reviewed the amended procedures and concluded that the inadequacies had been corrected. Accordingly, based upon a review of all the evidence, I find that Respondent's procedures were inadequate, as alleged in the Notice, but have subsequently been adequately modified. Therefore, no further action is necessary.

Item 3: The Notice alleged that Respondent's operations and maintenance procedures were inadequate with regard to 49 C.F.R. § 195.402(a), as quoted above, because they lacked sufficient detail on leak detection. Specifically, the Notice alleged that Enterprise's *CPM O&M Manual, dated 3/1/11 (Procedure CPM)*: (1) provided conflicting information for leak-detection thresholds; (2) failed to provide a proper link between the performance evaluation section of *Procedure CPM* and the company's leak-detection strategy that was supposed to be found at Appendix A of *Procedure CPM*; (3) conflicted with statements and records otherwise provided by Enterprise; (4) failed to provide guidance on provisions or modifications to leak detection on high consequence area pipeline segments lacking Supervisory Control and Data Acquisition (SCADA) systems; and (5) failed to provide guidance on where CPM records were to be maintained.

In its Response, Enterprise did not contest the allegation and submitted amended procedures which, *inter alia*, corrected typographical errors and restructured Respondent's leak-detection target thresholds. The Director reviewed the amended procedures and concluded that the inadequacies had been corrected. Accordingly, based upon a review of all the evidence, I find that Respondent's procedures were inadequate, as alleged in the Notice, but have subsequently been adequately modified. Therefore, no further action is necessary.

Item 4: The Notice alleged that Respondent's operations and maintenance procedures were inadequate with regard to 49 C.F.R. § 195.402(c)(3), which states:

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

(a) ...

(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:

(1) ...

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

The Notice alleged that Respondent's procedures were inadequate with regard to 49 C.F.R. § 195.402(c)(3) because they failed to include a proper reference to an American Petroleum Institute (API) standard that PHMSA had incorporated by reference into 49 C.F.R. Part 195. Specifically, the Notice alleged that Enterprise's *Miscellaneous Operating Procedures – Section 1305 (Over Pressure Safety Devices)* and *Section 1307 (Breakout Tanks)*, dated 11/12/13 (collectively, *Procedures*), failed to provide the correct API standard related to construction and modification of above-ground storage tanks as per § 195.428(c). The *Procedures* allegedly referenced API Recommended Practice (RP) 2350 when they should have referenced API Standard 2510, section 7.1.2 (incorporated by reference, *see* 49 C.F.R. § 195.3), when discussing overfill protection systems.

In its Response, Enterprise did not contest the allegation and stated that it was submitting amended procedures which purported to remedy the conflict with § 195.428(c). The Director was unable to review the amended procedures because they were not attached to Enterprise's response. Accordingly, based upon a review of all the evidence, I find that Respondent's procedures were inadequate, as alleged in the Notice. Enterprise is hereby ordered to amend its procedures to include a proper reference to an API standard, as required by § 195.428(c).

Item 5: The Notice alleged that Respondent's operations and maintenance procedures were inadequate with regard to 49 C.F.R. § 195.402(c)(3), as quoted above, because they lacked sufficient guidance, as set forth in § 195.404(c)(3), for compliance with cathodic-protection record keeping. Specifically, the Notice alleged that Enterprise's *Corrosion Prevention Program Procedure – Rectifier Monitoring CP15 (Procedure CP15)*, required only one year of record-retention instead of the two years required under § 195.404(c)(3), and follow-up communications provided further conflicting data about the retention and location of records.

In its Response, Enterprise noted that *Procedure CP15* was not intended to meet the requirements of 49 C.F.R. Part 195 (including §§ 195.404(c)(3) and 195.589(c)), but was merely a tool to assist field operators in troubleshooting and identification of systemic problems. Instead, Respondent pointed to Section 1.3 of *Procedure CP15*, which specified a records-retention cycle of at least five years. The Director reviewed the Response and concurred with Enterprise that its current procedure is adequate. Accordingly, based upon a review of all the evidence, this Item is withdrawn.

Item 6: The Notice alleged that Respondent's emergency procedures were inadequate with regard to 49 C.F.R. § 195.402(c)(3), as quoted above, because they failed to provide adequate detail regarding procedures for maintaining firefighting equipment. Specifically, the Notice

alleged that Enterprise's firefighting-equipment procedure, *Miscellaneous Operating Procedures Section 1306 (Procedure 1306)*, dated 11/12/2013, failed to include guidance on how Respondent was supposed to maintain adequate firefighting equipment at each pump station and breakout tank area, as per § 195.430. Additionally, the Notice alleged that Enterprise's *Procedure 1306* lacked details 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" tasks; and 6) criteria for documentation, including "Completed" and "Satisfactory" guidelines.

In its Response, Enterprise asserted that *Procedure 1306* adequately met the requirements of § 195.430 because it referenced the company's *Safety Policies Manual (SPM)*, which provided more than sufficient detail. Having reviewed the *SPM*, I find that it is a nine-page policy document that "describes the fire protection equipment located throughout all facilities owned and operated by [Enterprise]" and includes "inspection, maintenance and training requirements for the operation of fire water systems, fixed dry chemical, carbon dioxide and Clean Agent extinguishing systems."² It outlines proper positioning, location and operation of fire protection throughout Enterprise's system, but does not specifically address pump stations and breakout tanks, as referenced in § 195.430. I also note that Enterprise's procedure lacked detail on document-retention requirements, personnel responsible for "Analysis" and "Approval," and the criteria for documentation, including "Completed" and "Satisfactory" guidelines. Accordingly, based upon a review of all the evidence, I find that Respondent's procedures were inadequate, as alleged in the Notice, because they fail to include critical information necessary to maintain public safety under 49 C.F.R. § 190.206. Enterprise is hereby ordered to amend its Procedures to include sufficient detail concerning maintenance of firefighting equipment at pump stations and breakout tank areas as referenced in § 195.430.

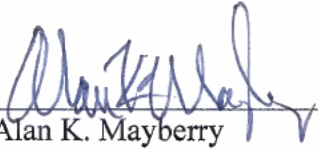
Pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206, Enterprise is ordered to revise its procedures as specified in Items 4 and 6 above. Respondent must submit the amended procedures to the Director, Eastern Region, within 30 days following receipt of this Order.

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. 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 required amendment to procedures, remain in effect unless the Associate Administrator, upon request, grants a stay.

² Response, at Exhibit 10.

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

A handwritten signature in blue ink, appearing to read "Alan K. Mayberry", is written over a horizontal line.

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

OCT 15 2018

Date Issued