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 PROBABLE VIOLATION
# PROPOSED CIVIL PENALTY
# and
# PROPOSED COMPLIANCE ORDER

**OVERNIGHT EXPRESS DELIVERY**

January 29, 2018

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

**CPF 1-2018-5003**

Dear Mr. Bacon:

From March 21, 2016 – December 2, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States 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.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. **§195.310 Records.**

   **(a) A record must be made of each pressure test required by this subpart, and the record of the latest test must be retained as long as the facility tested is in use.**
   **(b) The record required by paragraph (a) of this section must include:**
   **(1) The pressure recording charts;**
   **(2) Test instrument calibration data;**

**(3) The name of the operator, the name of the person responsible for making the test, and the name of the test company used, if any;**
**(4) The date and time of the test;**
**(5) The minimum test pressure;**
**(6) The test medium;**
**(7) A description of the facility tested and the test apparatus;**
**(8) An explanation of any pressure discontinuities, including test failures, that appear on the pressure recording charts; and,**
**(9) Where elevation differences in the section under test exceed 100 feet (30 meters), a profile of the pipeline that shows the elevation and test sites over the entire length of the test section.**
**(10) Temperature of the test medium or pipe during the test period.**

Enterprise failed to maintain a record of each pressure test required by this subpart. Specifically, Enterprise failed to maintain hydrostatic test records for 4 breakout tanks (PHMSA Unit 12232), per the requirements of §195.310(b).

§195.305 states, each pressure test under §195.302 must test all pipe and attached fittings, including components, unless otherwise permitted by paragraph (b) of this section. §195.310 states, a record must be made of each pressure test required by this subpart, and the record of the latest test must be retained as long as the facility tested is in use.

During the inspection of inspection unit 12232-AR1 in Little Rock, Arkansas, the PHMSA inspector requested hydrostatic testing records for breakout tanks at the McRae and North Little Rock, Arkansas facilities. Enterprise provided records for tanks DOT-T_1301, DOT-T-1302, DOT-T-1304, and DOT-T-1305 as follows:

1. Tank 1301 Hydro Email, dated 07/19/2007
2. Tank 1302 Hydro Email, dated 07/26/2007
3. Tank 1304 Testing Form dated 3/30/2007
4. Tank 1304 hydro information email dated 7/2/2007
5. Tank 1305 Elevations - undated
6. Tank 1305 Settlement results dated 4/3/2008

None of the records provided by Enterprise included the information below that is required by §195.310(b):

1. Pressure recording charts
2. Test instrumentation calibration data
3. Date and time of the test
4. Minimum test pressure
5. Test medium
6. A description of the facility tested and the test apparatus
7. An explanation of any pressure discontinuities, including test failures, that appear on the pressure recording charts
8. Where elevation differences in the section under test exceed 100 feet (30 meters), a profile of the pipeline that shows the elevation and test sites over the entire length of the test section.
9. Temperature of the test medium or pipe during the test period

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 failed to follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. Specifically, Enterprise failed to follow its computational pipeline monitoring (CPM) manual for providing a means of leak detection on its pipeline system.

During the inspection of Enterprise procedures in Houston, Texas, the PHMSA inspector reviewed Enterprise's CPM O&M Manual, dated 03/01/11, and "Audit List of Lines" record which showed Enterprise pipelines with leak detection.

The Enterprise procedure stated, "…All regulated pipelines operated by Enterprise Products control centers will be targeted for implementation of this baseline CPM system. If this baseline leak detection application cannot be implemented on targeted line, then alternative technologies will be evaluated…"

The "Audit List of Lines" record showed four pipelines with no leak detection in high consequence areas (HCAs).

1. Line ID P84, PODS ID 1357, total miles 0.945, HCA miles 0.047
2. Line ID P79, PODS ID 6427, total miles 0.409, HCA miles 0.409
3. Line ID P29B, PODS ID 7201936, total miles 0.53, HCA miles 0.53
4. Line ID P29A, PODS ID 7201937, total miles 0.53, HCA miles 0.53

The PHMSA inspector asked why these pipelines were not covered by the Enterprise leak detection program and Enterprise stated, "they observe leaks by means of the normal patrolling activities on these lines."

The PHMSA inspector asked Enterprise for relevant records regarding alternative technologies used for these pipelines. Enterprise was not able to provide any records. In an email dated 1/12/17, Enterprise stated, "The technology review (LDCE study) for the 2.41 miles not currently in CPM is budgeted and scheduled to be performed in 2017." Thus, Enterprise failed to follow its procedures for leak detection.

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 failed to follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. Specifically, Enterprise failed to follow its manual of written procedures for its leak detection measures.

During the inspection of Enterprise procedures in Houston, Texas, the PHMSA inspector reviewed Enterprise procedure – CPM O&M manual – Liquid Pipelines Operated by Houston OCC, dated 3/1/11. The procedure states in part that:

"Performance Evaluations – 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 states that:

"Risk ranking and target threshold (60 min):

Pipelines will be ranked into three (3) tiers based upon HCA impact and the Pipeline Integrity Risk model 'consequence score'. Pipeline systems that include multiple line assessments with different rankings will assume the highest ranking. Tier III lines will be lines that have "No HCA Impact". Tier III target leak threshold will be 12% leak detection in 60 minutes. Tier II lines will be lines that have "HCA Impact". Tier III [sic] target leak threshold will be 5% leak detection in 60 minutes. Tier I lines will be lines that have "HCA Impact" and consequence score above TBD. Tier I target leak threshold will be 2% leak detection in 60 minutes."

| Risk Level of Pipeline | Target Threshold |
|---|---|
| Tier I | 2% leak detection in 60 minutes |
| Tier II | 5% leak detection in 60 minutes |
| Tier III | 12% leak detection in 60 minutes |

The PHMSA inspector requested the 2014, 2015 and 2016 CPM performance evaluation records for the following inspection units:

1. IU 3051 – Greensburg (Greensburg, Pennsylvania office)
2. IU 3071 – Dubois (Watkins Glen, New York office)
3. IU 4213 – Allegheny (Lebanon, Ohio office)
4. IU 3061 – Eagle (Morgantown, Pennsylvania Office)
5. IU 2464 – Lou Tex (Sorrento, Louisiana Office)
6. IU 18043 – TEPPCO Chicago (Monee, Illinois Office)
7. IU 12232 – AR1 (Little Rock, Arkansas Office)

Enterprise provided leak detection budget request emails for 2014, 2015 and 2016. Each of the emails stated in part:

"We have developed the attached Leak Detection Budget Request items for the liquid pipelines in your area…

To prepare this budget we have:

1. Reviewed our current leak detection implementation status
2. Pulled the latest pipeline data from the Asset Integrity PODS database
3. Performed a high-risk/low-performing analysis of our current implementation
4. Established budgetary plan for implementation of Enhanced Leak Detection Systems
5. Identified all the "orphan laterals" which are not covered by leak detection today.

Attached is the budget request for your area, as well as a list of orphan laterals where the Control Center is unable to perform leak detection because of a lack of sufficient instrumentation. The orphan laterals need to be monitored by Field Operations until we can address the instrumentation deficiency."

The emails provided by Enterprise did not provide any details to support that Pipelines were ranked into three tiers or that target thresholds were met.

Therefore, Enterprise failed to follow its manual of written procedures.

**4. §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 failed to follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. Specifically, Enterprise failed to follow its abnormal operation procedure (AOC) O&M Manual requirements for documenting any AOC actions taken, prior to a supervisory close out of the AOCs.

During the inspection of inspection unit 12232-AR1 in Little Rock, Arkansas, the PHMSA inspector requested AOC records for the McRae and North Little Rock, Arkansas terminals. The PHMSA inspector reviewed, "TEC AOC RESPONDER" report that provided 10 records from January through November 2016. One Enterprise McRae terminal record, contained no information under the subheadings – "AOC conditions found" and "AOC actions taken." The "Manager Review" and "Manager Confirmed AOC" were both closed out with no indications of what AOC condition was found or AOC actions were taken.

Furthermore, Enterprise O&M Manual Abnormal Operation Procedures Section 801, dated 11/12/13 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 this section." The PHMSA inspector asked for additional information on the AOC record, but Enterprise was not able to provide any. The Enterprise Location Supervisor responded, "this was a glitch in the system and we are working to fix it."

Therefore, Enterprise failed to follow its abnormal operation procedures in their O&M Manual.

5. **§195.583 What must I do to monitor atmospheric corrosion control?**

   **(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:**

| **If the pipeline is located:** | **Then the frequency of inspection is:** |
|---|---|
| **Onshore** | **At least once every 3 calendar years, but with intervals not exceeding 39 months** |

Enterprise failed to conduct an inspection of each pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, but with intervals not exceeding 39 months.

During the inspection, the PHMSA inspector reviewed Enterprise's "EPROD Survey Report Atmospheric" atmospheric corrosion records from 1/1/11 to 12/30/15.

The records for the pipeline segments below show that the interval between inspections exceeded the 39-month interval in two instances.

1. Segment Code: 03 Mundys to Duncansville" with the following inspection dates: 6/18/11 and 9/25/14 – 6 days' past due
2. Segment Code: 04 Duncansville to Jacks" with the following inspection dates: 6/25/12 and 10/6/15 – 10 days' past due

Therefore, Enterprise failed to inspect each pipeline for atmospheric corrosion, per §195.583(a).

6. **§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 failed to follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. Enterprise failed to follow its written procedures for performing its pressure limiting and relief device inspections, per §195.428(a).

Enterprise O&M Miscellaneous Operating Procedures – Over Pressure Safety Devices Section 1305, dated 11/12/13 states, "In addition, the overpressure protection system must be inspected and tested, either actual or simulated, at the required overpressure protection set point…"

During the inspection of inspection unit 2464- Lou Tex, in Sorrento, Louisiana, the PHMSA inspector reviewed Enterprise TEC PSV INSP – Fagus Pressure Safety records, dated 2014 and

2015. The records showed the pressure relief valve data did not indicate a "Set Pressure (PSI)" for (9) pressure relief valves in 2014 and (6) in 2015. The PHMSA inspector asked Enterprise why the data was blank on the applicable records and Enterprise did not have a response.

Additionally, Enterprise failed to adequately document the "set pressure (PSI)" for relief valve settings on its 2015 and 2016 pressure safety valve (PSV) inspection records on the ATEX pipeline segments.

During the inspection of inspection unit 3051-Greensburg in Greensburg, Pennsylvania, the PHMSA inspector reviewed Enterprise O&M section 1305 – Miscellaneous Operating Procedures (Procedure) and "TEN PSV Insp" records for 2015 and 2016 (Records).

The Records did not record a "set pressure (PSI)" for the PSVs. Additionally, these records were not consistent with Enterprise A1 and A3 PSV inspection records reviewed during the inspection as they did not contain all data per the record forms. During the inspection, Enterprise was unaware of what value (PSI) these PSVs were tested at, or what pressure values these PSVs were left at.

During the inspection of inspection unit 3071-Dubois, in Watkins Glen, New York, the PHMSA inspector reviewed the following:

1. Enterprise O&M section 1305 – Miscellaneous Operating procedure, dated 11/12/13. (Procedure)
2. Enterprise 2014 through 2016 overpressure protection records for Moshannon, PA pump station
3. Enterprise "Maintenance Work Order Detail Report" for the spring 2014 inspection interval

The Procedure states in part:

"…each inspection and repair is documented on the appropriate form to determine that it is functioning properly, in good mechanical/electrical condition, adequate from the standpoint of capacity and reliability of operation for the service in which it is used, set to function at the correct pressure and properly installed and protected from foreign materials or other conditions that might prevent proper operation."

Neither the overpressure protection record nor the "Maintenance Work Order Detail Report" provided the following information required by the Procedure:

1. Valve mechanical/electrical condition
2. Adequacy of capacity and reliability of operation
3. Functionality at the correct pressure
4. Proper installation and protection from foreign materials or other conditions that might prevent proper operation
5. Set pressure of device and set pressure as found

Enterprise stated, "we are unable to produce a copy of the formal report (as shown in other pump stations/years) but the record is shown on the Maintenance Work Order Detail Report."

Therefore, at inspection unit 2464-Lou Tex, inspection unit 3051-Greensburg, and inspection unit 3071-Dubois, Enterprise failed to follow its written procedures for performing inspections of overpressure protection devices.

**7. §195.402 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 the requirements of this subpart and subpart H of this part are inadequate. Specifically, Enterprise procedures fail to provide sufficient guidance on how to conduct and document relief valve inspections as per §195.428(a).

During the inspection, the PHMSA inspector reviewed Enterprise's Miscellaneous Operating Procedures Section 1305 Over Pressure Safety Devices, dated 11/12/13 (Procedure), and their pressure control inspection and testing records.

The Procedure states in part that:

"Each pressure limiting device, relief valve, pressure regulator, and other types of pressure control equipment (pressure transmitters, switches, PCVs) shall be inspected and tested at intervals not exceeding 15 months, but at least once each calendar year for crude oil and other non-HVL products and not exceeding seven and a half months, but at least twice each calendar year for HVL products, and each inspection and repair is documented on the appropriate form to determine that it is:

1. Functioning properly
2. In good mechanical/electrical condition
3. Adequate from the standpoint of capacity and reliability of operation for the service in which it is used.
4. Set to function at the correct pressure
5. Properly installed and protected from foreign materials or other conditions that might prevent proper operation."

Enterprise's procedure Miscellaneous Operating Procedures Section 1305 does not provide sufficient guidance on conducting and documenting a relief valve inspection.

In order to ensure that a relief valve will relieve at the specified set pressure when needed, data is necessary on the condition of the valve prior to the inspection ("as found"), as well as on the condition of the valve after the inspection is completed ("as left"). Information typically documented includes:

1. Relief pressure of the valve in the "as found" condition
2. Relief pressure of the valve in the "as left" condition
3. The "set pressure"

The Procedure did not include any requirements for capturing either the “as found” or “as left” pressure of a relief device. In addition, the procedure lacked details such as:

1. The criteria for determining acceptable “as-found” / “as left” relief pressures
2. The actions that must be taken if the relief valve “as-found” pressure does not meet the criteria
3. The definition of the term “set pressure”
4. The documentation required and where it must be recorded, for example:
   a. The information that must be captured in the records
   b. Where the “as-found” and “as-left” pressures are recorded
5. How to ensure that the MOP will not be exceeded during testing of the relief device

Additionally, Enterprise failed to include guidance in its written procedures for overpressure safety devices. During the inspection of inspection unit 3071-Dubois, in Watkins Glen, New York, the PHMSA inspector reviewed Enterprise overpressure protection records for Gaines, PA pump station from 2014 through 2016. The records for the (2) overpressure valves inspections that were conducted in May and October, 2014 were inadequate as the set pressure was approximately +/- 200 PSI higher/lower than the set pressure as found.

Enterprise O&M section 1305 – Miscellaneous Operating Procedures states, “…the overpressure protection system must be inspected and tested, either actual or simulated, at the required overpressure protection set point.” Enterprise records stated, all overpressure protection valves were marked “Y” for “Set Pressure Good” on the 2014 records.

The procedure, however, provided no guidance as to the criteria for determining the set pressure as well as the “as found” / “as left” relief pressures to assure the valves are in good mechanical condition and functioning properly.

Therefore, Enterprise procedure failed to provide sufficient guidance on how to conduct and document relief valve inspections as per §195.428(a).

8. **§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 failed to follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. Specifically, Enterprise failed to follow its Pipeline Hydrostatic Testing procedure for conducting pressure testing according to the requirements of §195.305.

During the inspection of inspection unit 2703-Seymour, in Seymour, Indiana, the PHMSA inspector reviewed the following:

1. Enterprise's procedure for pressure testing (Pipeline Hydrostatic Testing - Standard 4507, dated November, 2012 (Procedure)
2. Pipeline Hydrostatic Testing Documentation- Form 4507 Hydrostatic Test Report, for project name "P/L Integrity Assessment – AID 2453, LID P84- 4" Seymour to HWRT." (Form 4507)

The Procedure states in part:

Section 11.1 (6):

"All data shall be recorded on Form 4507. Pressures, temperatures, stroke counts, time, and all other data on the test section shall be clearly recorded, legible, and understandable…"

Section 15.1:

"(2) The following information shall be included and clearly labeled with the test report:

…

h. End time and date of "off" test with final pressure.

…

m. The name of the operator, the name of the person responsible for making the test and the name of the test company used (contractor – where applicable)."

Enterprise's Hydrostatic Test Report, Form 4507, with a Start of Test Period dated 4/4/2013 failed to include the following:

1. End time and date of "off" test with final pressure
2. The name of the person responsible for making the test
3. The Company Representative who recorded the test and date
4. The Test Director who approved the test and date

Therefore, Enterprise failed to follow its written procedure.

**9. §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 failed to follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. Specifically, Enterprise failed to follow its procedure for maintaining records for emergency response training conducted in accordance with § 195.403(b)(1).

During the inspection of inspection unit 3051-Greensburg, Pennsylvania, the PHMSA inspector reviewed the following:

1. Enterprise's O&M manual Section 905 – Emergency Procedures (Procedure)

2. Emergency response training performance records for Greensburg, PA personnel for 2014 and 2015.

The Procedure states in part that:

"The Company provides emergency response training utilizing internally approved instructors and/or approved third party emergency response training instructors/schools… This review is documented on form 905A and retained by Local Area Operations."

The emergency response training for 2014 was documented in a spreadsheet and did not include the following information that is required on Form 905A:

1. Training topics
2. Employee signature and date
3. Supervisor signature and date

Form 905A requires the following information to be completed:

1. Employee's emergency response training checkboxes for (5) topical areas
2. Employee signature and date
3. Supervisor signature and date

In email communication dated June 1, 2016, Enterprise stated, "Training form 905A and 905B are not available for IU 3051 for 2014. The Oracle Learning Management report is the only available record of the employees completing the annual emergency response training."

Therefore, Enterprise failed to follow its Procedure.

**10. § 195.402(a) 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.**

Enterprise failed to follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. Specifically, Enterprise failed to follow its procedures for maintaining records for fire extinguisher inspections conducted in accordance with §195.430.

During the inspection of inspection unit 2464- Lou Tex in Sorrento, Louisiana, the PHMSA inspector reviewed the following:

1. Enterprise's procedure, "EH&S Management System – Safety Policies Manual Section 5.2 – Fire Protection", dated 3/9/12 (Procedure)
2. Annual and monthly fire extinguisher records from 2013-2015 for the Laplace, LA. pump station.

The Procedure states in part that:

"a. …Arrange for a State licensed contractor/representative to perform annual maintenance and recharging of fire extinguishers…

b. The annual inspection shall be documented on the "Annual Fire Extinguisher Guidelines" (SF01) form or an equivalent report provided by outside service."

The annual fire extinguisher inspections were documented as follows:

1. 1/4/2013 and 3/8/2015 - Form SF01.
2. 12/4/2013 – United Fire and Safety Form.

The United Fire and Safety form (UFS Form) was used to document the December 2013 inspections was not equivalent to the Enterprise Form SF01 that is required by the procedure. The UFS Form did not include the following information that was included on form SF01.:

1. Last hydrostatic testing date
2. Next hydrostatic testing date

In addition, the UFS Form dated 12/4/2013 did not include United Fire and Safety technician signature, or the Customer representative signature.

Therefore, Enterprise failed to follow its procedures for maintaining records for fire extinguisher inspections conducted in accordance with §195.430 for its 2014 annual fire extinguisher records.

**11. § 195.404(a)(3) Maps and records.**

**(a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information;**

**…**

**(3) The maximum operating pressure of each pipeline**

Enterprise failed to maintain records of its pipeline systems that include the maximum operating pressure (MOP) of each pipeline.

During the inspection of Enterprise records and procedures in Houston, Texas and at field locations, the PHMSA inspector reviewed records for the MOP of jurisdictional pipeline segments. Enterprise's idle line list dated 1/9/2017 included 32 pipelines.

1. The "Last Known MOP" was missing for 13 pipelines
2. The "Install Date" was missing for 5 pipelines

Enterprise stated, "the MOP is not calculated for idle pipelines." Enterprise provided, "Idle Pipeline List", dated 01/09/17. The record showed that there were 32 different pipeline line IDs identified as idle. The record stated, the "Last Known MOP", "Install Date" and "Date Idle" were unknown for several pipeline segments. Furthermore, 13/32 pipeline line IDs have an unknown/missing MOP.

In an email dated 1/13/17, the PHMSA inspector requested a data list related to the MOP of all affected idle pipelines within the system inspection. Enterprise stated, "There are no further updates available to the Enterprise Idle Pipeline List provided on 1/10/17."

Therefore, Enterprise failed to maintain records of its pipeline systems that included the MOP of each pipeline.

**12. § 195.420(b) Valve Maintenance.**

> **…**
>
> **(b) Each operator shall, at intervals not exceeding 7½ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.**

Enterprise failed to inspect each mainline valve at intervals not exceeding 7 ½ months, but at least twice each calendar year, to determine that it is functioning properly.

During the inspection of inspection unit 2464-Lou Tex in Sorrento, Louisiana and inspection unit 12232-AR1 in Little Rock, Arkansas, the PHMSA inspector reviewed mainline valve records for the years 2013 – 2016. The records show that in 6 instances, Enterprise failed to inspect mainline valves twice per year and in 2 instances failed to inspect mainline valves at intervals not exceeding 7 ½ months.

Details for the mainline valve inspections conducted by Enterprise are as follows:

Inspection Unit 2464-Lou Tex (PHMSA inspection conducted on 9/15/16). Beaumont 6" Lateral 155MLV4-2B (152142): 4 instances

1. 2013 and 2014 – No records – Enterprise failed to inspect twice in 2013 and twice in 2014
2. Inspections were completed on the following dates
    a. 3/20/2015
    b. 9/17/2015
    c. 3/19/2016
    d. 9/15/2016

Inspection Unit 12232-AR1 (PHMSA inspection conducted on 12/1/16). P77 VA04: 2 instances

1. Inspections were completed on the following dates
    a. 4/15/2014
    b. 11/5/2014
    c. 5/7/2015
2. Inspection Due in 7.5 months from 5/7/2015 = 12/22/2015 – No Record – Therefore they failed to inspect twice in 2015
3. Inspection Due in 7.5 months from 1/1/2016 = 8/16/2016 – No Record – Therefore they failed to perform the first inspection of 2016
4. During the inspection, Enterprise stated, "the mainline valves were removed from service in July, 2016 however we do not have inspection records for missing 2015 and 2016 time periods

P77 VA05: 2 instances (Unit 12232-AR1)

1. Inspections were completed on the following dates
2. 4/15/2014
3. 11/5/2014
4. 5/7/2015
5. Inspection Due in 7.5 months from 5/7/2015 = 12/22/2015 – No Record – Therefore

they failed to inspect twice in 2015
6. Inspection Due in 7.5 months from 1/1/2016 = 8/16/2016 – No Record – Therefore they failed to perform the first inspection of 2016.
7. During the inspection, Enterprise stated, "the mainline valves were removed from service in July, 2016 however we do not have inspection records for missing 2015 and 2016 time periods

Therefore, Enterprise failed to inspect its mainline valves per the requirements of §195.420(b).

**13. §195.428 Overpressure safety devices and overfill protection systems.**

**(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.**

Enterprise failed to conduct an inspection and test of each overpressure protection device at intervals not to exceed 7 ½ months, but at least twice each calendar year, as specified per §195.428. Specifically, Enterprise did not conduct an inspection and test of its HVL overpressure protection valves at Moshannon, PA pump station during the following periods:

1. Device # MOS377 Thermal bypass valve 001 receiving barrel – 1st inspection 2014, 1st inspection 2015, 2nd inspection 2015
2. Device # MOS377 Thermal bypass valve 002 launching barrel – 1st inspection 2014, 1st inspection 2015, 2nd inspection 2015

During the inspection of inspection unit 3071-Dubois, in Watkins Glen, New York, the PHMSA inspector reviewed Enterprise 2014 through 2016 overpressure protection records for Moshannon, PA pump station. Enterprise was not able to provide any documentation of an inspection or test on each of the (2) overpressure protection valves for the 1st 2014 inspection, 1st 2015 inspection and 2nd 2015 inspection time intervals. The PHMSA inspector requested records and Enterprise stated, "Due to an issue with the work order system, the system failed to produce reports for the fall." Enterprise provided, "Maintenance Work Order Detail Report" for the Moshannon, PA pump station overpressure protection valves; however, these records were dated March, 2016 and April, 2014, and therefore were not applicable to the time periods requested. Enterprise had no records which detailed the inspection and testing of the overpressure protection devices.

Therefore, Enterprise failed to conduct an inspection and test of each overpressure protection valve at intervals not to exceed 7 ½ months but at least twice each calendar year, per the requirements of §195.428.

**14. §195.428 Overpressure safety devices and overfill protection systems.**

**(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case**

**of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.**

Enterprise failed to inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment at intervals not exceeding 15 months, but at least once each calendar year to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used. Specifically, Enterprise failed in 11 instances to inspect and test pressure relief valves in 2015.

During the inspection of inspection unit 12232-AR1 in Little Rock, Arkansas, the PHMSA inspector reviewed P77 pressure relief valve inspections for 2013 and 2014. Enterprise did not have records for P77 for 2015. In an email dated 1/10/2017 PHMSA requested pressure relief records for 2015. Enterprise stated, "There are no PSV records for the P77 pipeline for 2015…" and "Enterprise does not have PSV inspection records for the P77 pipeline for 2015…"

Therefore, Enterprise failed to inspect and test each pressure relief valve in accordance with §195.428.

**15. §195.404(c)(3) Maps and Records.**

**(c) Each operator shall maintain the following records for the periods specified:**

**…**

**(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.**

Enterprise failed to maintain a record of each inspection and test for at least 2 years or until the next inspection or test is performed. Specifically, Enterprise failed to maintain its monthly breakout tank records per the requirements of API Standard 653 Section 6.3.1.2, incorporated by reference §195.3(b)(19).

API Standard 653 Section 6.3.1 provides requirements for conducting Routine In-Service Inspections and Section 6.3.1.2 states that "The interval of such inspections shall be consistent with conditions at the particular site, but shall not exceed one month."

During the inspection of inspection unit 12232-AR1 in Little Rock, Arkansas, the PHMSA inspector reviewed breakout tank monthly inspection records for the years 2013 to 2016 for the McRae, Arkansas breakout tank facility. There were no monthly inspection records for DOT-T-1301 for January, February, March and April 2014. In an email dated December 20, 2016, the PHMSA inspector asked Enterprise to provide the missing records. Enterprise responded in an email, dated January 3, 2017, stating "These records are missing."

Enterprise failed to maintain documentation of monthly tank inspections for breakout tank DOT-T-1301 during March 2014, April 2014, and April 2015.

Therefore, Enterprise failed to inspect its breakout tanks per the requirements of API Standard 653 Section 6.3.1.2, incorporated by reference §195.3(b)(19).

**16. §195.432 Inspection of in-service breakout tanks.**

**…**

**(b) Each operator must inspect the physical integrity of in-service atmospheric and low-pressure steel above-ground breakout tanks according to API Std 653 (except section 6.4.3, *Alternative Internal Inspection Interval*) (incorporated by reference, *see* §195.3). However, if structural conditions prevent access to the tank bottom, its integrity may be assessed according to a plan included in the operations and maintenance manual under §195.402(c)(3). The risk-based internal inspection procedures in API Std 653, section 6.4.3 cannot be used to determine the internal inspection interval.**

Enterprise failed to inspect the physical integrity of in-service atmospheric and low-pressure steel above-ground breakout tanks in accordance with API Standard 653, - Tank Inspection, Repair, Alteration, and Reconstruction, incorporated by reference in §195.3(b)(19). Specifically, Enterprise failed to inspect seven breakout tanks (BOTs) in accordance with API Standard 653.

API Standard 653 Section 6.4.2 provides requirements for conducting Internal Inspections. Section 6.4.2.2, "When corrosion rates are not known and similar service experience is not available to estimate the bottom plate minimum thickness at the next inspection, the internal inspection interval shall not exceed 10 years."

During the inspection the PHMSA inspector reviewed Enterprise records and procedures for internal inspections of breakout tanks located at Texas, Illinois and Indiana facilities. Enterprise provided a spreadsheet titled PHMSA Break-Out Tank Data Form V3 which showed that seven tanks below were not internally inspected since the date of construction according to the table below:

| Tank Location | Tank Number | Date of Construction |
|---|---|---|
| 1. Baytown, TX | #DOT-T-643 | 1/1/2000 |
| 2. Beaumont, TX | #752 | 1/1/2002 |
| 3. Beaumont, TX | #757 | 1/1/2003 |
| 4. Creal Springs, IL | #DOT-T-17213 | 1/1/2001 |
| 5. Creal Springs, IL | #DOT-T-17261 | 1/1/2001 |
| 6. Creal Springs, IL | #DOT-T-17262 | 1/1/2001 |
| 7. Indianapolis, IN | #DOT-T-5106 | 10/12/2004 |

During the inspection, the PHMSA inspector asked for the internal inspection records for the seven specified breakout tanks. Enterprise stated, "there are no records for these breakout tanks as they are part of the final rule tanks." Enterprise cited information from a prior PHMSA case, CPF #4-2012-5008M. From CPF #4-2012-5008M Enterprise's amended procedure, "STD. 9503 – Inspection and Testing of Atmospheric and Low-Pressure DOT Breakout Tanks, dated October

2014", as part of the Final Order, Enterprise stated it is following in accordance with Section 8.4(7) - "NOTE: All existing tanks for which the Enterprise Risk Based Inspection Program (RBIP) had previously been used to determine inspection intervals will be assessed for conversion to time/condition based intervals."

In subsequent follow-up communication with Enterprise, Enterprise stated:

"In reference to the tanks in question, at the time of their construction (2000 – 2004) they were incorporated into the Enterprise RBI program as described in API Standard 653, 3rd Edition, Section 6.4.3, which states, 'As an alternative to the procedures in 6.4.2, an owner-operator may establish the internal inspection interval using risk-based inspection (RBI) procedures.' Accordingly, Enterprise did not plan a 10-year interval (as referenced in API Standard 653, 3rd Edition, Section 6.4.2.2) for the initial internal inspection. As a result of the Final Order negotiated with PHMSA, Enterprise transitioned to the non-RBI approach described in API 653, 3rd Edition, Section 6.4.2 and the tanks were assigned the maximum initial interval (10 years) permitted by API 653, 3rd Edition, Section 6.4.2.2, for tanks with unknown corrosion rates and no similar service experience. In all cases, the new 10-year interval resulted in internal inspection due dates being past due. The tentative inspection schedule below represents the feasible operational availability of the tanks and will be adhered to as closely as possible…"

The seven specified breakout tanks are neither included, nor related to the final order (Order Directing Amendment) referenced by Enterprise (CPF #4-2012-5008M). Enterprise failed to conduct the initial internal inspection on the seven breakout tanks within the required timeframe. The seven breakout tanks are out-of-compliance by a range of 2 – 7 years.

| Tank Number | Date of Construction | Time Out of Compliance |
|---|---|---|
| #DOT-T-643 | 1/1/2000 | >7 years |
| #752 | 1/1/2002 | >5 years |
| #757 | 1/1/2003 | >4 years |
| #DOT-T-17213 | 1/1/2001 | >6 years |
| #DOT-T-17261 | 1/1/2001 | >6 years |
| #DOT-T-17262 | 1/1/2001 | >6 years |
| #DOT-T-5106 | 10/12/2004 | >2 years |

Thus, Enterprise failed to inspect seven breakout tanks at the required intervals, per the requirements of API Standard 653, 3rd Edition, Section 6.4.2

**17. §195.579 What must I do to mitigate internal corrosion?**

**…**

**(d) Breakout tanks. After October 2, 2000, when you install a tank bottom lining in an aboveground breakout tank built to API Spec 12F (incorporated by reference, *see* §195.3), API Std 620 (incorporated by reference, *see* §195.3), API Std 650 (incorporated by reference, *see* §195.3), or API Std 650's predecessor, Standard 12C, you must install the lining in accordance with API RP 652 (incorporated by reference, *see* §195.3). However, you don't need to comply with API RP 652 when installing any**

> **tank for which you note in the corrosion control procedures established under §195.402(c)(3) why compliance with all or certain provisions of API RP 652 is not necessary for the safety of the tank.**

Enterprise failed to demonstrate that its breakout tank linings were installed, per the requirement §195.579(d). Enterprise did not maintain records and documentation that showed compliance with the requirement.

During the inspection of inspection unit 12232-AR1, in Little Rock, Arkansas, the PHMSA inspector requested records for breakout tank lining installations for all applicable McRae and North Little Rock, Arkansas breakout tanks. Enterprise provided, PHMSA breakout tank data form, received 05/21/16. The record showed the following breakout tanks with a thin-film lining:

1. DOT-T-1301
2. DOT-T-1302

The regulation §195.579(d) states, "when you install a tank bottom lining in an aboveground breakout tank built to API Spec 12F, API Std 620, API Std 650, or API Std 650's predecessor, Standard 12C, you must install the lining in accordance with API RP 652."

Enterprise provided, "McRae Tank 1302 INT Lining" record, dated 2006. Additionally, Enterprise provided, "Tank 1301 API-653 Post Job Inspection Report", dated 6/25/07 and "Tank 1301 Recommended Repair Checklist", dated 6/14/06.

These records however, failed to provide any documentation that the installation was performed in accordance with API RP 652. In an email dated 10/21/16, Enterprise stated, "There is no additional documentation related to determining the suitability of the breakout tank lining installation for breakout tank 1301 (IU 12232 McRae facility)."

Therefore, Enterprise failed to provide adequate records to demonstrate that the tank linings on breakout tanks DOT-T-1301 and DOT-T-1302 were installed, per the requirement of §195.579(d).

**18. §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.**

Enterprise failed to 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. Specifically, Enterprise failed to provide adequate guidance to inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion as per §195.583(a) and provide records of each atmospheric corrosion inspection in sufficient detail to demonstrate the adequacy of corrosion control measures as per §195.589(c).

During the inspection, the PHMSA inspector reviewed procedures that addressed atmospheric corrosion inspections (Enterprise's Atmospheric Corrosion Inspection Procedure CPP-PCL-01, Revision date 12/3/15). The procedure stated in part that:

1. *"1.1 The purpose of this procedure is to establish a standardized method for monitoring, inspecting, and reporting atmospheric corrosion of aboveground facilities."*

The term "aboveground facilities" is broad. Particularly, it is unclear if this references to pipelines, equipment, and/or breakout tanks.

2. *"3.2.1 All atmospheric corrosion inspections must be conducted by or under the guidance of the Corrosion Prevention Group. Atmospheric corrosion inspections shall be conducted at time intervals in accordance with DOT 49 CFR, Part 195.583 as found in Subpart H – Corrosion Control and DOT 49 CFR, Part 192.481 as found in Subpart I – Requirements for Corrosion Control. These frequencies are states as follows: 'At least once every 3 calendar years, but with intervals not exceeding 39 months' for assets located onshore and 'At least once every calendar year, but with intervals not exceeding 15 months' for assets located offshore."*

The term "assets" is broad. It is unclear if this references pipelines, equipment, and/or breakout tanks. Particularly, §195.583 references pipe, breakout tanks refer to a different code section that may calculate to different inspection interval frequencies.

3. *"3.3.1 Inspection locations must be carefully chosen in an effort to provide for a thorough assessment that is most representative of the entire piping system. Identify all above ground or above waterline structures/facilities that are subject for atmospheric corrosion inspection and maintain a listing of these subject areas as a checklist in the appropriate form or a Company database. For extensive inspections, it may be necessary to record inspection locations on existing piping diagrams.*

   *3.3.2 Where to conduct atmospheric corrosion inspections:*

   *…*

   *3.3.2.4 Storage Vessels and Tankage"*

The term "most representative of the entire piping system" is broad. It is unclear if the most representative area considers the condition of a smaller portion. The smaller portion that is not representative, may have a different condition that is overlooked. Additionally, §195.583 requires the inspection of each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion.

4. *"3.3.3 During atmospheric corrosion inspections, particular attention must be given to the following locations:*

   *3.3.3.1 Pipe and Associated Structures at Soil to Air Interfaces*

   *…*

   *3.3.3.6 At Deck/Wall Penetrations"*

It is unclear if the most representative area is to considers these locations or if the locations are to be identified separately.

5. *"3.3.4 Atmospheric corrosion inspections are to be conducted by visually examining 360° of the external surfaces of the pipeline and/or associated assets and determining: (1) the condition of coating system and, (2) the condition of the metal substrate if coating damage is found."*

It is unclear how 360° examinations is to be performed in instances that portion is covered with soil.

6. *"3.3.8 The results of this defect evaluation, along with degree of rusting shall be documented in the following format:*
   *3.3.8.1 Record the rust grade in the fields in the table below. (See the matrix in 3.4.2 for the rust grade selections) Note: This grade represents the condition of the coating only.*

| Atmospheric Coating Rust Grade Fields | |
|---|---|
| General Coating Condition | Deck_Wall Penetration Coating Condition |
| Soil to Air Coating Condition | Pipe Under Thermal Insulation Coating Condition |
| Pipe Support Coating Condition | Splash Zone Coating Condition |
| Span Over Water Coating Condition | |

…
*3.3.8.3 Record the Metal Substrate Grade in the fields in the table below.*

| Metal Substrate Grade Fields | |
|---|---|
| General Corrosion | Deck_Wall Penetration Corrosion |
| Soil to Air Corrosion | Pipe Under Thermal Insulation Corrosion |
| Pipe Support Corrosion | Splash Zone Corrosion |
| Span Over Water Corrosion | Pipe Under Disbonded Coatings Corrosion |

…

It is unclear if the most representative area is to considers these locations or if the locations are to be identified separately. Rust is an iron oxide formed by the redox reaction of iron and oxygen.

Therefore, it is unclear how percent of surface rusted is a representation of the coating condition.

7. *"3.4.2 Upon establishing the "rust grade", refer to the "Scale and Description of Rust Grades Matrix" below to identify the recommended corrective action."*

Scale and Description of Rust Grades Matrix

| Rust Grade | Percent of Surface Rusted | Photographic Standard | | |
|---|---|---|---|---|
| | | Spot | General | Pinpoint |
| 10 | Less than or equal to 0.01 percent | NONE | | |
| 9 | Greater than 0.01 percent to 0.03 percent | 9-S | 9-G | 9-P |
| 8 | Greater than 0.03 percent to 0.1 percent | 8-S | 8-G | 8-P |
| 7 | Greater than 0.1 percent to 0.3 percent | 7-S | 7-G | 7-P |
| 6 | Greater than 0.3 percent to 1 percent | 6-S | 6-G | 6-P |
| 5 | Greater than 1 percent to 3 percent | 5-S | 5-G | 5-P |
| 4 | Greater than 3 percent to 10 percent | 4-S | 4-G | 4-P |
| 3 | Greater than 10 percent to 16 percent | 3-S | 3-G | 3-P |
| 2 | Greater than 16 percent to 33 percent | 2-S | 2-G | 2-P |
| 1 | Greater than 33 percent to 50 percent | 1-S | 1-G | 1-P |
| 0 | Greater than 50 percent | NONE | | |

Legend for Atmospheric Corrosion Repair:

| |
|---|
| No Action Required For Rust Grades: 9-S thru 6-S, 9-G thru 7-G, and 9-P thru 7-P |
| Spot or Brush Blast Preparation and Repair of Coating Recommended With Possible Overcoat For Rust Grades: 5-S thru 3-S, 6-G thru 4-G, and 6-P thru 5-P |
| Total Removal and Recoat Recommended For Rust Grades: 2-S thru 1-S, 3-G thru 1-G, and 4-P thru 1-P |

The size of the most representative area is undefined, therefore the percent of surface rusted is variable. It is unclear, if a smaller area with a different condition becomes overlooked.

The "Scale and Description of Rust Grades Matrix" identifies Rust Grade 0 as percent of surface rusted greater than 50 percent. In the Legend of Atmospheric Corrosion Repair, no recommendation is provided for rust grade 0.

During the field inspection at Enterprise's Seymour breakout tank Terminal in Indiana, a PHMSA inspector observed aboveground jurisdictional pipeline segments that were exposed to the atmosphere.

The PHMSA inspector requested the atmospheric corrosion inspection records for these jurisdictional pipeline segments that were exposed to the atmosphere. Enterprise provided records relating to atmospheric corrosion inspections conducted at breakout tank 3013 and breakout tank 3014 on 4/27/2016 and 2/15/2013 respectively.

The 2013 and 2016 records for breakout tank 3013 depict 11 observed locations:

Locations 1-8: Tank 3013 N, NE, E, SE, S, SW, W, NW
Location 9: Riser @ Tank 2013 Interface Area
Location 10: Riser @ Tank 3013
Location 11: Pump for Tank 3013

The 2013 record for breakout tank 3014 depicts six observed locations:

Locations 1-4: Tank 3013 N, E, S, W
Location 5: Riser @ Tank 3014 Interface Area
Location 6: Riser @ Tank 3014

The 2016 record for Tank 3014 depict nine observed locations:

Locations 1-8: Tank 3013 N, NE, E, SE, S, SW, W, NW
Location 9: Riser @ Tank 3014

The 2013 record for breakout tank 3014 did not document NE, SE, SW, nor NW locations. The 2016 record for breakout tank 3014 did not document Riser @ Tank 3014 Interface Area location.

The records did not describe the overall area a location represented, nor was a pipeline diagram provided. The PHMSA inspector requested clarification and additional documentation that an atmospheric inspection of the following locations of exposed pipe was performed:

1. two blind pipe flanged segments connected to breakout tank 3013
2. the drain valve located inside a valve box and connected to breakout tank 3013
3. the drain valve located inside a valve box and connected to breakout tank 3014
4. the riser at tank 3014 interface

Enterprise again provided the same 2013 and 2016 atmospheric corrosion inspection records and replied in email correspondence dated January 11, 2017, "The atmospheric inspections for tanks include associated piping, they are not done separately".

The 2013 and 2016 records for breakout tank 3013 and 3014 had columns labeled:

- General Coating Condition
- General Corrosion
- Soil to Air Coating Condition
- Soil to Air Corrosion

Per Enterprise's procedure Atmospheric Coating Rust Grade Fields table in Section 3.3.8.1, the inspection is to "*Record the rust grade in the fields in the table below*". The following fields were not indicated on the 2013 and 2016 records for breakout tanks 3013 and 3014:

- Pipe Support Coating Condition
- Span Over Water Coating Condition
- Deck Wall Penetration Coating Condition
- Pipe Under Thermal Insulation Coating Condition
- Splash Zone Coating Condition

Per Enterprise's procedure Atmospheric Coating Rust Grade Fields table in Section 3.3.8.3, the inspection is to "*Record the Metal Substrate Grade in the fields in the table below*". The following fields were not indicated on the 2013 and 2016 records for breakout tanks 3013 and 3014:

- Pipe Support Corrosion
- Span Over Water Corrosion
- Deck Wall Penetration Corrosion
- Pipe Under Thermal Insulation Corrosion

- Splash Zone Corrosion
- Pipe Under Disbonded Coating Corrosion

The PHMSA inspector witnessed blind pipe flanged segments and drain valves on breakout tanks 3013 and 3014 that had a soil to air interface and wall penetration. Neither the 2013 nor 2016 records documented a result for fields Wall Penetration Coating Condition and Wall Penetration Corrosion, and the 2016 record for breakout tank 3013 did not document a result for Soil to Air Coating Condition and Soil to Air Corrosion.

After the inspection, Enterprise provided remedial action taken based on their atmospheric inspection conducted on 4/27/2016 (email correspondence dated December 19, 2016). The three pipe segments connected to breakout tank 3013 were also coated during the remedial action. Enterprise did not provide information that addressed atmospheric corrosion of the two pipe segments connected to breakout tank 3014.

Therefore, Enterprise failed to prepare and follow a manual of written procedures for conducting normal operations and maintenance activities, specifically pipeline segments that were exposed to the atmosphere.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed $209,002 per violation per day the violation persists up to a maximum of $2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed $200,000 per violation per day, with a maximum penalty not to exceed $2,000,000 for a related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violations and has recommended that you be preliminarily assessed a civil penalty of **$ 703,900** as follows:

| Item number | PENALTY |
|---|---|
| 1 | $ 27,500 |
| 2 | $ 53,600 |
| 3 | $ 72,000 |
| 4 | $ 27,300 |
| 5 | $ 8,800 |
| 6 | $ 72,500 |
| 8 | $ 33,100 |
| 9 | $ 27,300 |
| 10 | $ 12,900 |
| 11 | $ 60,400 |
| 12 | $ 55,800 |
| 13 | $ 55,800 |
| 14 | $ 61,200 |
| 15 | $ 27,500 |
| 16 | $ 56,800 |
| 17 | $ 51,400 |

Proposed Compliance Order

With respect to item 3, item 7, 16 and item 18, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Enterprise Products Operating, 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 Compliance Proceedings*. Please refer to this document and note the response options. All material 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). 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.

Please submit all correspondence in this matter to Robert Burrough, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, New Jersey 08628. Please refer to **CPF 1-2018-5003** on each document you submit, 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
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

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

## PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Enterprise Products Operating, LLC (Enterprise)

a Compliance Order incorporating the following remedial requirements to ensure the compliance of Ergon with the pipeline safety regulations:

1. In regard to Item 3 of the Notice pertaining to Enterprise's failure to follow its manual of written procedures for its leak detection measures, per §195.402(a):

    a. Enterprise shall amend its procedures to specify actions required during the annual leak detection analysis and specifying how the analysis must be documented. The procedures shall be provided to PHMSA for review and acceptance within 60 days of issuance of the final order.

    b. Enterprise shall apply the revised procedures and perform its leak detection evaluations on the above mentioned seven inspection units (IU 3051 – Greensburg (Greensburg, Pennsylvania office, IU 3071 – Dubois (Watkins Glen, New York office), IU 4213 – Allegheny (Lebanon, Ohio office), IU 3061 – Eagle (Morgantown, Pennsylvania Office), IU 2464 – Lou Tex (Sorrento, Louisiana Office), IU 18043 – TEPPCO Chicago (Monee, Illinois Office), IU 12232 – AR1 (Little Rock, Arkansas Office) within 120 days of issuance of the final order.

2. In regard to Item 7 of the Notice pertaining to Enterprise's procedures failing to provide sufficient guidance on how to conduct and document relief valve inspections as per §195.428(a):

    a. Enterprise shall amend its procedures to include sufficient guidance per §195.428(a) within 60 days of the Final Order.

3. In regard to Item 16 of the Notice pertaining to Enterprise's failure to inspect seven breakout tanks at the required intervals, per the requirements of API Standard 653, 3rd Edition, Section 6.4.2:

    a. Enterprise shall inspect seven breakout tanks per API Standard 653 within 365 days of Final Order.

4. In regard to Item 18 of the Notice pertaining to Enterprise's failure to provide adequate guidance to inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion as per §195.583(a):

    a. Enterprise shall prepare a written procedure addressing the apparent inadequacies found within Atmospheric Corrosion Inspection Procedure CPP-PCL-01 within 60 days after receipt of the Final Order and then submit those procedures to PHMSA for review and eventual approval by PHMSA.

    b. After PHMSA approves the procedures, Enterprise must then apply those approved procedures to conduct inspections and address atmospheric corrosion along PHMSA Unit ID #2703. Enterprise must make records available, as required by the amended procedures, for PHMSA review. This must be accomplished within 180 days after the procedures are approved by PHMSA.

5. Enterprise Products Operating, LLC. must complete the requirements as outlined above. All documentation demonstrating compliance with each of the items outlined in this proposed compliance order must be submitted for review to Robert Burrough, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. 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.

6. It is requested (not mandated) that Enterprise maintains documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Robert Burrough, Director, Eastern 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.