



By Electronic Mail

July 1, 2025

Mr. Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
US Department of Transportation
840 Bear Tavern Rd., Suite 300
Trenton, New Jersey 08628

Re: CPF 1-2025-003-WL

Dear Mr. Burrough:

The Warning Letter (letter) referenced above and dated May 28, 2025, was received by Panhandle Eastern Pipeline Company, LP (PEPL or Company) on the same day via electronic mail (email). PEPL is a subsidiary of Energy Transfer (ET). The letter alleges a single probable violation of 49 C.F.R. 192.12. Although a written response is not required, PEPL has chosen to respond, without admission, in order to address the PHMSA findings described in the letter.

By way of background, this Warning was issued following an inspection of the PEPL Howell Underground Natural Gas Storage facility in Livingston, Michigan over the dates of April 23, to April 25, 2024.

The Company appreciates PHMSA's review and consideration of the attached response and shares PHMSA's commitment to pipeline safety, public safety, and pipeline integrity. Should you have any questions please contact me at (713) 989-7126 or via email at todd.nardozzi@energytransfer.com.

Sincerely,

Todd Nardozzi
Director – DOT Compliance

cc: Jim Ferguson
David Hagemann

§ 192.12 Underground natural gas storage facilities.

(a) ...

(b) *Depleted hydrocarbon and aquifer reservoir UNGSFs.*

(1) ...

(2) Each UNGSF that uses a depleted hydrocarbon reservoir or an aquifer reservoir for natural gas storage and was constructed on or before July 18, 2017, must meet the provisions of API RP 1171 (incorporated by reference, see §192.7), sections 8, 9, 10, and 11, and paragraph (c) of this section, by January 18, 2018, and must meet all provisions of paragraph (d) of this section by March 13, 2021.

PEPC failed to meet the provisions of American Petroleum Institute Recommended Practice 1171 (API RP 1171), Section 9. Specifically, PEPC failed to perform annual master valve function and isolation tests of Well Holcomb 1-27 in accordance with API RP 1171, Section 9.3.2 (Section 9.3.2).

Section 9.3.2 states in part, “[t]he operator shall test the operation of the master valve and wellhead pipeline isolation valve at least annually for proper function and ability to isolate the well.”

During the inspection, PHMSA reviewed PEPC’s records of wellhead valve operation testing. PEPC stated they did not perform master valve function and isolation testing of Well Holcomb 1- 27 due to the subsurface safety valve tubing coming through the master valve. The well is scheduled to have a workover in 2025 to remove the tubing.

Therefore, PEPC failed to test the operation of the master valve and wellhead pipeline isolation valve at least annually as required by Section 9.3.2 pursuant to § 192.12(b)(2).

PEPL Response

The Company completed the Holcomb 1-27 well workover which among other items addressed the subsurface safety valve tubing coming through the master valve which prevented the master valve function and isolation testing. As a part of the workover the master valve was replaced with a new full-bore valve. Included with this submission under Attachment A is a copy of the new master valve function and isolation documentation conducted on June 11, 2025. PEPL will continue the annual Holcomb 1-27 well master valve function and isolation tests.