U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste. 600
Atlanta, GA 30303

NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 12, 2011

Mr. Terry Hurlburt
Senior Vice President of Operations
Enterprise Products Operating LLC
1100 Louisiana Street
Houston, TX 77002

CPF 2-2011-5012

Dear Mr. Hurlburt:

From June 14 to October 22, 2010, and from April 25 – 27, 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) inspected Enterprise Products Operating LLC[1] (Enterprise) procedures, records and pipeline facilities in Texas, Louisiana, Arkansas, Tennessee, Missouri, Indiana, Kentucky, Illinois, Ohio, and Pennsylvania, pursuant to Chapter 601 of 49 United States Code.

As a result of the inspection, it appears 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. **§ 195.54 Accident reports.**
   (a) Each operator that experiences an accident that is required to be reported under §195.50 shall as soon as practicable, but not later than 30 days after discovery of the accident, prepare and file an accident report on DOT Form 7000-1, or a facsimile.

[1] TE Products Pipeline, LLC (TEPPCO) was the operator of record at the initiation of the inspection in June 2010. Effective August 17, 2010, TE Products Pipeline, LLC under operator identification number (OPID number) 19237 was legally changed to Enterprise Products Operating LLC, under OPID number of 31618.

Enterprise did not prepare and file Accident Report No. 20100072 within 30 days after discovery of an accident that occurred on January 24, 2010. Enterprise mailed the report on February 25, 2010. PHMSA received the report by certified mail on March 1, 2010. It should be noted that during this time period PHMSA could not receive accident reports by electronic methods.

2. **§ 195.116 Valves.**
Each valve installed in a pipeline system must comply with the following:
... (f) Each valve must be marked on the body or the nameplate, with at least the following:
... (2) Class designation or the maximum working pressure to which the valve may be subjected.

Enterprise did not mark the class designation or the maximum working pressure on the body or on the nameplate of a valve installed in Line P107A. The Line P107A tap valve (MOV 8105) at Harbor Avenue Junction did not have a nameplate and the valve body was not marked with a class designation or the maximum working pressure. Records indicated this valve was in accordance with design and test requirements. Line P107A was a newly constructed pipeline, and first delivered product to Lion Oil on 03/30/2009.

3. **§ 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 did not construct the pipeline system connecting the highly volatile liquid (HVL) breakout tank outlets and the booster pump suction header at the McRae Terminal in 2009 in accordance with comprehensive written specifications or standards. Enterprise did not provide approved pipeline system support drawings, and did not install an engineered support system for the referenced pipeline system, as follows:

TEPPCO engineering drawings *TPD-13D15-703* and *TPD-13D15-704* (each indicated as being created on 10/10/10 but were not subsequently approved by Enterprise) showed that 12-inch valves located in the referenced pipeline system were to be supported by reinforced concrete valve support foundations. On October 21, 2010, PHMSA inspectors observed, and took photographs of 12-inch valves in the pipeline system that were either solely or partially supported by unreinforced concrete bricks.

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.

Enterprise did not follow certain procedures for conducting normal operations and maintenance contained in its written operations and maintenance (O&M) manual. Enterprise's written O&M manual procedure in *Section 1307 Breakout Tanks* (dated 02/10/10) and its monthly breakout tank inspection form (*Tank Inspection Report*)

required Enterprise personnel to properly evaluate and to accurately record tank conditions and "*failed inspection points*" (i.e. deficiencies).

PHMSA inspectors observed and took photographs of conditions and deficiencies on breakout tanks at several locations along the pipeline system in September and October 2010 that contradicted Enterprise's records; indicating that the O&M procedures were not properly followed. It was evident that these conditions and deficiencies would have been present during Enterprise's monthly inspections described below.

Indianapolis Station

- The *Tank Inspection Reports* indicated no "*failed inspection points*" and "*Paint Condition OK*" for inspections in January, February, March, April, May, June, and July 2010 for breakout tank 5103.
- On September 15, 2010, however, PHMSA inspectors observed that the chime ring on breakout tank 5103 had coating failures and corrosion with metal loss.

Todhunter Station

- The *Tank Inspection Reports* indicated no "*failed inspection points*" and "*Paint Condition OK*" for inspections in January, February, March, April, June, and July 2010 for breakout tank 3211.
- On September 22, 2010, however, PHMSA inspectors observed that the chime ring on tank 3211 had coating failures and that some roof blind flanges and piping had no paint.

Seymour Station

- The *Tank Inspection Reports* indicated no "*failed inspection points*" and "*Paint Condition OK*" for inspections in January, February, March, April, July, and August 2010 for breakout tank 3016.
- On September 23, 2010, however, PHMSA inspectors observed that the chime ring on tank 3016 had coating failures and corrosion.

McRae Terminal

- The *Tank Inspection Reports* indicated no "*failed inspection points*" and "*Paint Condition OK*" for inspections in March, April, May, June, July, August, and September 2010 for all breakout tanks.
- On October 21, 2010, however, PHMSA inspectors observed an area of the chime on tank 1361 was not protected from atmospheric corrosion and was experiencing rust/corrosion. Also, an appurtenant valve and piping had areas of disbonded coating, un-coated surfaces, and had rust/corrosion.

5. **§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 did not follow certain procedures for conducting normal operations and maintenance contained in its written O&M manual. Enterprise's written O&M manual procedure in *Section 601 Manual Reviews and Periodic Review of Work Done by*

Operating Personnel (dated 10/31/2009) required Enterprise personnel to perform periodic reviews of the work done by its personnel to determine the effectiveness of the procedures used in normal operation and maintenance and to take corrective actions where deficiencies were found.

The procedure in *Section 601* stated, "*It shall be the responsibility of Local Management to schedule and conduct reviews of the work performed by operating personnel.*" The procedure adds, "*This review process shall be conducted periodically*" and "*... as necessary, appropriate field operating and maintenance personnel shall be interviewed for the purpose of providing knowledgeable input regarding the adequacy of these procedures . . .(see appropriate form, Section 601A).*"

Notwithstanding that PHMSA found this procedure inadequate, Enterprise did not provide records to demonstrate that this procedure had been properly followed for the Seymour, Chicago, North Little Rock, and El Dorado areas.

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.**

Enterprise did not follow certain procedures for handling abnormal operations contained in its written O&M manual. Enterprise's written O&M manual procedure in *Section 801 Abnormal Operation Procedures* (dated 10/31/2009) required Enterprise personnel to perform periodic reviews of the work done by its personnel to verify it had determined the effectiveness of abnormal operation procedures and had taken corrective actions where deficiencies were found.

The procedure in *Section 801* stated, "*... location supervisors are responsible for reviewing the response of their personnel to abnormal operations, determining the effectiveness of these procedures, and making recommendations for revisions to Pipeline Compliance.*" Also, *Section 601 Manual Reviews and Periodic Review of Work Done by Operating Personnel* (dated 10/31/2009) conveyed that these reviews were to be documented on form *Section 601A.*

Enterprise did not provide records to demonstrate that these procedures had been properly followed for the following areas:

- Oran area - 36 abnormal operating condition reports filed in the Oran area since September 2008.
- North Little Rock area - approximately 8 abnormal operations were responded to in 2010.
- Beaumont area - approximately 26 abnormal operations were responded to since 2008.

7. **§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 did not follow its manual of written procedures for conducting maintenance activities because it did not conduct Magnetic Particle Inspection to test for the presence of cracking as required of its *Maintenance Report* form (EPOLP Form #140) and its *Pipeline Defect Evaluation and Repair Procedure, rev.02/01/05* (Repair Procedure). EPOLP Form #140 conveyed: *"If Corrosion is discovered, conduct Magnetic Particle Inspection to test for the presence of cracking."* Repair Procedure also conveyed that *"examination for SCC should be performed when corrosion is found under partially or fully disbonded coatings and shielding of cathodic protection is suspected,"* and that the examination was to be done by magnetic particle inspection (MPI) of the surface in the area of concern.

Enterprise exposed a segment of Line P2 in July 2010, during removal of a shorted casing located at MP 249.2. Although the July 26, 2010, Maintenance Report indicated that severe corrosion pitting was found only at coating holidays and not under disbonded coating, the report also indicated that the condition of the coal tar enamel coating was *"partially disbonded w/visible holidays or other degradation."* The Maintenance Report and Enterprise's personnel indicated that MPI for SCC was not conducted. This segment of pipe could affect a high consequence area (HCA).

8. **§195.410 Line markers.**
(a) Except as provided in paragraph (b) of this section, each operator shall place and maintain line markers over each buried pipeline in accordance with the following:
(1) Markers must be located at each public road crossing, at each railroad crossing, and in sufficient number along the remainder of each buried line so that its location is accurately known.

Enterprise did not locate line markers in sufficient number along the remainder of each buried line so that the location of the pipeline was accurately known as follows:

Oran Area
- Lines P2 and P62 - upstream of the Bauer Road main line valves (MLV) looking upstream at the first ditch line (Line P2 mile post (MP) 601.13 and Line P62 MP 606.65).

North Little Rock Area
- Lines P2 and P62 looking downstream from the CenterPoint foreign line crossing at Line P2 MP 317.81 and Line P62 MP 321.72.

Shreveport Area
- Lines P2 and P62 north of MP 120.5 at the Tennessee Gas Pipeline ROW crossing, looking upstream and downstream from the crossing.
- Lines P2 and P62 upstream of the MLV located at MP 152.2 looking upstream from approximately MP 151.9 and between MP~151.9 and the point of intersection (PI) at MP~152.0, including at the point-of-intersection (PI).
- Line P22 through a residential area at Black Bayou, between marker at MP 117.54 and the shore north of this marker.
- Line P22 through a residential area south of Ardis Island facility (2009 Dig 1 area).

El Dorado Area

- Lines P80 and P22 at the directional change located upstream of the MLV at MP 44.28 (Sunny Brook Rd). P22.at this location was idled and pressurized with nitrogen but not abandoned.
- Lines P80 and P22 from the directional change (located upstream of the MLV at MP 44.28 (Sunny Brook Rd)), to the upstream creek crossing the ROW at approximately MP 44.
- Lines P80 and P22 east of Highway 335 downstream of MP 47.63. There were only two single line markers in the ROW and it was not apparent which pipeline was marked.

9. **§ 195.410 Line markers.**
(a) Except as provided in paragraph (b) of this section, each operator shall place and maintain line markers over each buried pipeline in accordance with the following:
.... (2) The marker must state at least the following on a background of sharply contrasting color
(i) The word "Warning," "Caution," or "Danger" followed by the words "Petroleum (or the name of the hazardous liquid transported) Pipeline", or "Carbon Dioxide Pipeline," all of which, except for markers in heavily developed urban areas, must be in letters at least 1 inch (25 millimeters) high with an approximate stroke of1/4inch (6.4 millimeters).
(ii) The name of the operator and a telephone number (including area code) where the operator can be reached at all times.

Enterprise did not maintain its line markers over each buried pipeline so that the required wording was readable. A line marker on Line P22 located upstream of the railroad crossing located upstream of Fitch pump station and a line marker at MP 117.54 near the north shore of the Black Bayou reservoir crossing were observed by PHMSA inspectors in October 2010 to be faded such that there were no sharply contrasting colors, and the required wording was unreadable.

10. **§195.412 Inspection of rights-of-way and crossings under navigable waters.**
(a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate mean of traversing the right-of-way.

Enterprise did not adequately inspect the surface conditions on or adjacent to each pipeline right-of-way. Enterprise used aerial patrols as the method to inspect rights-of-way. PHMSA inspectors observed and took photographs of heavy tree canopy and/or vegetation that would have prohibited the aerial patrol personnel from adequately observing the surface conditions on or adjacent to each pipeline right-of-way during aerial patrols at the following locations:

Oran Area
- Line P62 east of MP 587.14
- Line P62 west of MP 601.13
- Line TO3 near MP 55.29 at the Tennessee River Crossing
- Line TO3 near MP 49 at the Ohio River Crossing

North Little Rock Area
- Line P74 looking upstream from MLV 36 at MP 37.34
- Line P74 looking upstream from MP 37.91
- Line P74 looking downstream from MP 38.86
- Line P74 looking upstream from MP 39.5(+/-)
- Line P74 looking downstream from road at MP 71.86

Shreveport Area
- Line P22 upstream of the railroad crossing upstream of the Fitch pump station
- Line P22 traversing from the railroad crossing casing vent pipe looking toward Fitch pump station
- Line P22 upstream of the MLV at Palmetto Road
- Line P22 in the creek area immediately south of the Ardis Island facility
- Line P22 looking upstream (toward Colligan) from downstream of the 2009 Dig 1 area
- Line P22 upstream of Lynwood Drive beginning at the CenterPoint casing vent looking toward Colligan Junction

El Dorado Area
- Line P22 upstream of MLV at MP 44.8 (Sunny Brook Road) P22 at this location was idled and pressurized with nitrogen.
- Lines P80/P22 east of Highway 335 downstream of MP 47.63
- Lines P80/P22 at Robin Road and North College at MP 51.33 downstream towards the Terrace Village Apartments
- Line P2 at MP 301.27 upstream of Sam Mac Road

11. **§195.420 Valve maintenance.**
(a) Each operator shall maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times.

Enterprise did not maintain each valve that is necessary for the safe operation of its pipeline systems in good working order at all times. PHMSA inspectors observed that the Winzer Road block valve located at MP 51.03 on Line P1 was inoperable. Enterprise personnel were not able to manually operate the valve, which appeared to be binding.

12. **§ 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 did not inspect and test the HVL above ground breakout tank overfill protection system at the McRae Terminal at intervals not to exceed 7½ months. Enterprise did not provide records indicating that the overfill protection system had been inspected and tested between the system start-up test on August 31, 2009, and October 21, 2010. Section 195.428(d) specifically requires the inspection and testing of overfill protection systems per §195.428(a) after October 2, 2000.

13. **§195.432 Breakout tanks.**
... (b) Each operator shall inspect the physical integrity of in-service atmospheric and low-pressure steel aboveground breakout tanks according to section 4 of API Standard 653. However, if structural conditions prevent access to the tank bottom, the bottom integrity may be assessed according to a plan included in the operations and maintenance manual under §195.402(c)(3).

Enterprise did not properly inspect the physical integrity of 24 in-service atmospheric steel aboveground breakout tanks in accordance with Section 6[2] of API Standard 653, because the inspector was not an "*authorized inspector*" as defined in Section 3 of the standard. Section 6.3.2.1 of API Standard 653 required *visual external inspections* of tanks to be conducted by an "*authorized inspector.*" Enterprise could not provide records indicating that visual external inspections of the tanks listed below had been conducted by an "*authorized inspector*" prior to 2005 or 2006. V*isual external inspections* for these tanks were required to have been conducted prior to, but no later than, May 3, 2004.

Seymour (21 tanks, all built prior to 1960): Tanks 3001, 3002, 3003, 3004, 3005, 3006, 3007, 3008, 3009, 3010, 3011, 3012, 3013, 3014, 3015, 3016, 3017, 3018, 3061, 3062, 3063. Todhunter (3 tanks, all built prior to 1993): Tanks 3207, 3210, 3211.

14. **§195.432 Breakout tanks.**
... (b) Each operator shall inspect the physical integrity of in-service atmospheric and low-pressure steel aboveground breakout tanks according to section 4 of API Standard 653. However, if structural conditions prevent access to the tank bottom, the bottom integrity may be assessed according to a plan included in the operations and maintenance manual under §195.402(c)(3).

Enterprise did not inspect the physical integrity of 18 in-service atmospheric steel aboveground breakout tanks within the required time intervals specified in Section 6[2] of API Standard 653. Enterprise did not conduct *visual external inspections* within the

---

[2] Section 195.432(b) required operators to inspect certain tanks according to section 4 of API Standard 653. However, Section 6, not Section 4, contained the relevant provisions relating to inspections of the in-service breakout tanks. API Standard 653 was revised in 1999, and PHMSA incorporated (by reference) the revised API standard into the federal pipeline safety regulations. PHMSA recently removed from the regulations, effective October 1, 2010, the incorrect reference to Section 4.

time intervals required by Section 6.3.2.1 of API Standard 653 for the breakout tanks listed below.

The maximum time interval between *visual external inspections* should be determined by the methods contained in API Standard 653 Sections 6.3.2.1 and 6.3.3, and cannot exceed 5 years. Section 195.432(d) states that the intervals of inspection specified by documents referenced in paragraphs (b) of §195.432 begin on May 3, 1999, or on the operator's last recorded date of the inspection, whichever is earlier.

Baytown (4 tanks)

- Tank 640 - no API 653 visual external inspections between May 3, 2004 and April 2010.
- Tank 642 - no API 653 visual external inspections between the tank's 1999 in-service date plus 5 years, through April 2009.
- Tank 643 - no API 653 visual external inspections between the tank's 2001 in-service date plus 5 years, through October 4, 2010.
- Tank 644 - no API 653 visual external inspections between the tank's 2003 in-service date plus 5 years, through October 4, 2010.

Beaumont (14 tanks)

- Tank 743 - no API 653 visual external inspections between May 3, 2004 and August, 2009.
- Tank 744 - no API 653 visual external inspections between May 3, 2004 and December 2008
- Tanks 745, 746, 747, 748, 749, 750, and 751 - no API 653 visual external inspections between the tanks' 2001 in-service dates plus 5 years, through October 4, 2010.
- Tanks 752, 753, and 755 - no API 653 visual external inspections between the tanks' 2002 in-service dates plus 5 years, through October 4, 2010.
  Tanks 756 and 757 - no API 653 visual external inspections between the tanks' 2003 in-service dates plus 5 years, through October 4, 2010.

15. §195.505 Qualification program.
Each operator shall have and follow a written qualification program. The program shall include provisions to:
... (b) Ensure through evaluation that individuals performing covered tasks are qualified;

Enterprise did not ensure through evaluation that individuals performing covered tasks were qualified and had the knowledge required to perform certain covered tasks required by its Operator Qualification (OQ) Program. That is, the individuals who performed breakout tank inspections did not demonstrate adequate knowledge of covered task *CT 27.1 Routine Monthly Inspection of Breakout Tanks* as evidenced by the monthly tank inspection records. The inspection records did not identify the following issues required by the breakout tank inspection procedures, as observed by PHMSA inspectors in September, 2010, in the Seymour and Chicago areas: coating failures on chime ring, atmospheric corrosion on chime ring, paint patches missing on

lower portion of tank wall, roof MPT gauge entrance and nozzles had no paint; and, bleed through rust was on tank wall.

Similarly, as evidenced by tank inspection records, the operator's inspector did not accurately reflect the paint condition of the McRae breakout Tank No. 1361 and its appurtenances as observed by PHMSA inspectors on October 21, 2010.

16. **§195.563 Which pipelines must have cathodic protection?**
(a) Each buried or submerged pipeline that is constructed, relocated, replaced, or otherwise changed after the applicable date in §195.401(c) must have cathodic protection. The cathodic protection must be in operation not later than 1 year after the pipeline is constructed, relocated, replaced, or otherwise changed, as applicable.

Enterprise did not provide cathodic protection for Line P107 no later than one year after the pipeline was constructed. Enterprise first provided cathodic protection to the pipeline on July 30, 2008, approximately 15 months after the pipeline was completed on April 23, 2007. Construction of the 12-inch pipeline was complete when the 5.9-mile pipeline, including the pig launcher and receiver located at the ends of the pipeline, was successfully hydrostatically pressure tested on April 23, 2007.

17. **§195.581 Which pipelines must I protect against atmospheric corrosion and what coating material may I use?**
(a) You must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

Enterprise did not adequately clean and coat portions of pipelines that were exposed to the atmosphere at soil-to-air interfaces to protect against atmospheric corrosion as follows:

- Line P74 - the coating on the pipe at the soil-to-air interface at the end of the pipeline at the West Memphis facility (MP 89.90) had deteriorated and failed.
- Many stations - the coating on the riser pipe at the soil-to-air interface on the P62 line from the pump discharge to the launcher/receiver had deteriorated and failed.
- Baytown Terminal - the coating on Valves V-651 and V-652 at the 16-inch manifold had deteriorated and failed at the soil-to-air interfaces and had heavy rust.
- Monee Station Valve PCV03 – coating failure and corrosion at soil-to-air interface
- Lowell Station 16-inch Suction Line - coating failure and corrosion at soil-to-air interface
- Lafayette Station Block Valve - coating failure and corrosion at soil-to-air interface
- Indianapolis Breakout Tank 5101 - coating failure and corrosion at soil-to-air interface
- Indianapolis Airport Meter Setting 2 Mainline Valves - coating failure and corrosion at soil-to-air interface
- Seymour Tank 3062 Valve - coating failure and corrosion at soil-to-air interface
- Seymour Tank 3063 - coating failure and corrosion at soil-to-air interface
- Todhunter LPG Skid two pipelines - coating failure and corrosion at soil-to-air interface

- Todhunter Tank 3211 Valve - coating failure and corrosion at soil-to-air interface
- Seymour Tank 3016 Flange - coating failure and corrosion at soil-to-air interface
- Seymour Tank 3015 Valve - coating failure and corrosion at soil-to-air interface

18. **§ 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.
Offshore	At least once each calendar year, but with intervals not exceeding 15 months.

Enterprise did not inspect a portion of pipeline that was exposed to the atmosphere for evidence of atmospheric corrosion. The PHMSA inspectors observed and took photographs of an exposed pipe (creek span) on Line P22 located upstream of MP 44.28 near Sunny Brook Road) that had deteriorated coating and evidence of active corrosion. The exposed pipe was not listed on any previous exposed pipe lists. Line P22 was idled and filled with nitrogen at this location.

19. **§ 195.589 What corrosion control information do I have to maintain?**
... (c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to §§195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.

Enterprise did not maintain a record of each inspection required of this subpart. It could not provide records indicating that the internal surfaces of the removed pipes associated with the 2008, Highway 167 and railroad crossing replacements of Lines P2 and P62 in north Louisiana were inspected for evidence of corrosion as required by §195.579(c).

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed $100,000 for each violation for each day the violation persists up to a maximum of $1,000,000 for any 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 $170,900 as follows:

Item number	PENALTY
4	$ 19,000
10	$ 47,400
11	$ 10,500
12	$ 15,500
14	$ 46,400
17	$ 17,900
18	$ 14,200

Warning Items

With respect to items 1, 2, 3, 5, 6, 7, 8, 9, 13, 16, and 19 we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct these items. Be advised that failure to do so may result in Enterprise Products Operating LLC being subject to additional enforcement action.

Proposed Compliance Order

With respect to item 15, 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. 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). 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.

In your correspondence on this matter, please refer to **CPF 2-2011-5012** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Wayne T. Lemoi
Director, Office of Pipeline Safety
PHMSA Southern Region

Enclosures: *Proposed Compliance Order*
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 a Compliance Order incorporating the following remedial requirements to ensure the compliance of Enterprise Products Operating LLC with the pipeline safety regulations:

1. In regard to Item Number 15 of the Notice pertaining to the inadequacy of knowledge demonstrated by "operator qualified" individuals on Enterprise's covered task *CT 27.1 Routine Monthly Inspection of Breakout Tanks*, Enterprise must revise its Operator Qualification Plan (OQ Plan) and provide additional training to ensure that individuals have the knowledge and skills necessary to identify coating failures on chime ring, atmospheric corrosion on the chime ring, active external corrosion on the tank, and areas without proper atmospheric coating protection on the tank wall and roof. The amended plan must be in accordance with Enterprise's procedures and also address proper documentation of these findings so that further tank assessments or remedial measures may be taken.

   Enterprise must perform the above-referenced tasks as follows:

   (a) Within 30 days upon receipt of the Final Order, revise its OQ Plan and the plan's referenced written procedures and training materials as applicable to monthly inspections of breakout tanks, as indicated above, and provide the revised documents to the PHMSA Southern Region Office for approval.

   (b) Within 90 days upon receipt of the Final Order, train and qualify all of its individuals who independently conduct monthly breakout tank inspections, in accordance with the written procedures and training materials described in (a) above.

   (c) Within 120 days upon receipt of the Final Order, provide to the PHMSA Southern Region Office the list of all individuals who independently conduct monthly breakout tank inspections, and the date that the training and qualification of each individual, as described in (b) above, was completed.

2. It is requested (not mandated) that Enterprise Products Operating LLC maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Wayne T. Lemoi, Director, Southern 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.