U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

September 10, 2008

Mr. Terry Hulbert
Sr. Vice President, Operations
Enterprise Products Operating, LLC
1100 Louisiana Street
Houston, TX 77002-5227

CPF 4-2008-5022M

Dear Mr. Hulbert:

On April 14-17, 2008, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Enterprise Products Operating, LLC's (Enterprise) procedures for Operations and Maintenance in Houston, Texas.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Enterprise's plans or procedures, as described below:

1. **§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 commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

   §195.57 Filing offshore pipeline condition reports.

(a) Each operator shall, within 60 days after completion of the inspection of all its underwater pipelines subject to §195.413(a), report the following information:
(1) Name and principal address of operator.
(2) Date of report.
(3) Name, job title, and business telephone number of person submitting the report.
(4) Total number of miles (kilometers) of pipeline inspected.
(5) Length and date of installation of each exposed pipeline segment, and location; including, if available, the location according to the Minerals Management Service or state offshore area and block number tract.
(6) Length and date of installation of each pipeline segment, if different from a pipeline segment identified under paragraph (a)(5) of this section, that is a hazard to navigation, and the location; including, if available, the location according to the Minerals Management Service or state offshore area and block number tract.

(b) The report shall be mailed to the Information Officer, Pipeline Hazardous Materials Safety Administration, Department of Transportation, 400 Seventh Street, SW., Washington, DC 20590.

Enterprise's procedures need to specify that offshore pipeline condition reports will be submitted to PHMSA within 60 days after the inspections.

2. **§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:
(1) Making construction records, maps, and operating history available as necessary for safe operation and maintenance.

Enterprise's procedures need to specify that maps, records and operating history will kept at local operating areas on the Portal.

3. **§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.

A. **§195.205 Repair, alteration and reconstruction of aboveground breakout tanks that have been in service.**

(b) After October 2, 2000, compliance with paragraph (a) of this section requires the following for the tanks specified:
(1) For tanks designed for approximately atmospheric pressure constructed of carbon and low alloy steel, welded or riveted, and non-refrigerated and tanks built to API Standard 650 or its predecessor Standard 12C, repair, alteration, and reconstruction must be in accordance with API Standard 653.

(3) For high pressure tanks built to API Standard 2510, repairs, alterations, and reconstruction must be in accordance with API 510.

Enterprise's breakout tank procedures need to specify that atmospheric tanks built to API Standard 650 are repaired, altered or reconstructed according to API Standard 653 and that high pressure tanks built to API Standard 2510 are repaired, altered or reconstructed according to API Standard 510.

B. §195.230 Welds: Repair or removal of defects.

(a) Each weld that is unacceptable under §195.228 must be removed or repaired. Except for welds on an offshore pipeline being installed from a pipe lay vessel, a weld must be removed if it has a crack that is more than 8 percent of the weld length.

Enterprise's procedures need to specify that cracks more than 8 % of the weld length will be removed.

C. §195.264 Aboveground breakout tanks.

(a) A means must be provided for containing hazardous liquids in the event of spillage or failure of an aboveground breakout tanks.
(b) After October 2, 2000, compliance with paragraph (a) of this section requires the following for the aboveground breakout tanks specified:
(1) For tanks built to API Specification 12F, API Standard 620, and others (such as API Standard 650 or its predecessor Standard 12C), the installation of impoundment must be in accordance with the following sections of NFPA 30:
(i) Impoundment around a breakout tank must be installed in accordance with section 4.3.2.3.2; and
(ii) Impoundment by drainage to a remote impounding area must be installed in accordance with section 4.3.2.3.1.
(2) For tanks built to API 2510, the installation of impoundment must be in accordance with section 5 or 11 of API 2510 (incorporated by reference, see §195.3).

Enterprise's procedures need to be consistent with the applicable version of NFPA 30 and sections of API 2510 concerning impoundment for breakout tanks.

D. §195.264 Aboveground breakout tanks.

(e) For normal/emergency relief venting and pressure/vacuum-relieving devices installed on aboveground breakout tanks after October 2, 2000, compliance with paragraph (d) of this section requires the following for the tanks specified:
(4) Pressure and vacuum-relieving devices installed on high pressure tanks built to API Standard 2510 must be in accordance with Sections 5 or 9 of API Standard 2510.

Enterprise's procedures need to specify that pressure and vacuum-relieving devices installed on high pressure tanks built to API Standard 2510 must be in accordance with Sections 5 or 9 of API Standard 2510.

E. §195.302 General requirements.

(a) Except as otherwise provided in this section and in §195.305(b) , no operator may operate a pipeline unless it has been pressure tested under this subpart without leakage. In addition, no operator may return to service a segment of pipeline that has been replaced, relocated, or otherwise changed until it has been pressure tested under this subpart without leakage.

Enterprise's procedures need to specify that pipelines are pressure tested without leakage or reference Hydrostatic Testing Specification in company specification manual.

F. §195.305 Testing of components.

(b) A component, other than pipe, that is the only item being replaced or added to the pipeline system need not be hydrostatically tested under paragraph (a) of this section if the manufacturer certifies that either-
(1) The component was hydrostatically tested at the factory; or
(2) The component was manufactured under a quality control system that ensures each component is at least equal in strength to a prototype that was hydrostatically tested at the factory.

Enterprise's procedures need to specify that a component, other than pipe, that is the only item being replaced or added to the pipeline system need not be hydrostatically tested under paragraph (a) of this section if the manufacturer certifies that either: (1) The component was hydrostatically tested at the factory; or (2) The component was manufactured under a quality control system that ensures each component is at least equal in strength to a prototype that was hydrostatically tested at the factory.

G. §195.306 Test medium.

(a) Except as provided in paragraph (b), (c), and (d) of this section, water must be used as the test medium.

(b) Except for offshore pipelines, liquid petroleum that does not vaporize rapidly may be used as the test medium if-
(1) The entire pipeline under test is outside of cities and other populated areas;
(2) Each building within 300 feet (91 meters) of the test section is unoccupied while the test pressure is equal to or greater than a pressure which produces a hoop stress of 50 percent of specified minimum yield strength;
(3) The test section is kept under surveillance by regular patrols during the test; and,
(4) Continuous communication is maintained along entire test section.

Enterprise's procedures need to specify that that test mediums used other than water must follow §195.306(b).

H. **§195.307 Pressure testing aboveground breakout tanks.**

(d) For aboveground atmospheric pressure breakout tanks constructed of carbon and low alloy steel, welded or riveted, and non-refrigerated and tanks built to API Standard 650 or its predecessor Standard 12C that are returned to service after October 2, 2000, the necessity for the hydrostatic testing of repair, alteration, and reconstruction is covered in section 10.3 of API Standard 653.
(e) For aboveground breakout tanks built to API Standard 2510 and first placed in service after October 2, 2000, pressure testing must be in accordance with ASME Boiler and Pressure Vessel Code, Section VIII, Division 1 or 2.

Enterprise's procedures need to specify that aboveground atmospheric pressure breakout tanks built to API 650 that are returned to service after October 2, 2000, the necessity for the hydrostatic testing of repair, alteration, and reconstruction is covered in section 10.3 of API Standard 653. Also procedures need to specify that high pressure tanks built to API 2510 and placed in service after October 2, 2000 must be pressure tested in accordance with ASME Boiler and Pressure Vessel Code, Section VIII, Division 1 or 2.

I. **§195.310 Records.**

(b) The record required by paragraph (a) of this section must include:
(8) An explanation of any pressure discontinuities, including test failures, that appear on the pressure recording charts;

Enterprise's procedures need to include descriptions of test failures for hydro-test records.

J. **§195.403 Emergency Response Training.**

(b) At the intervals not exceeding 15 months, but at least once each calendar year, each operator shall:
(1) Review with personnel their performance in meeting the objectives of the emergency response training program set forth in paragraph (a) of this section; and
(2) Make appropriate changes to the emergency response training program as necessary to ensure that it is effective.

Enterprise's procedures need to specify that training reviews will be conducted at 15 month intervals, but at least one each calendar year.

K. **§195.405 Protection against ignitions and safe access/egress involving floating roofs.**

(b) The hazards associated with access/egress onto floating roofs of in-service aboveground breakout tanks to perform inspection, service, maintenance or repair activities (other than specified general considerations, specified routine tasks or entering tanks removed from

service for cleaning) are addressed in API Publication 2026. After October 2, 2000, the operator must review and consider the potentially hazardous conditions, safety practices and procedures in API Publication 2026 for inclusion in the procedure manual (§195.402(c)).

Enterprise's procedures must specify the consideration of potentially hazardous conditions, safety practices and procedures associated with access/egress onto floating roofs as addressed in API Publication 2026.

L. §195.422 Pipeline Repairs.

(a) Each operator shall, in repairing its pipeline systems, insure that the repairs are made in a safe manner and are made so as to prevent damage to persons or property.

Enterprise's procedures need to specify that repairs to breakout tanks will be made in a safe manner as to prevent damage to persons or property.

M. §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.
(b) In the case of relief valves on pressure breakout tanks containing highly volatile liquids, each operator shall test each valve at intervals not exceeding 5 years.
(d) After October 2, 2000, the requirements of paragraphs (a) and (b) of this section for inspection and testing of pressure control equipment apply to the inspection and testing of overfill protection systems.

Enterprise's procedures need to specify that overfill protection systems will be inspected once each calendar year not to exceed 15 months.

N. §195.555 What are the qualifications for supervisors?

You must require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures established under Sec. 195.402(c)(3) for which they are responsible for insuring compliance.

Enterprise's procedures need to distinguish training from experience for supervisors knowledge of corrosion control procedures.

O. §195.569 Do I have to examine exposed portions of buried pipelines?

Whenever you have knowledge that any portion of a buried pipeline is exposed, you must examine the exposed portion for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated. If you find external corrosion requiring corrective action under Sec. 195.585, you must investigate circumferentially and longitudinally beyond the exposed portion (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the exposed portion.

Enterprise's procedures need to specify when external corrosion is found during examination of exposed pipe, the pipe must be investigated circumferentially and longitudinally beyond the exposed portion (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the exposed portion.

P. **§195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?**

(d) If you install an insulating device in an area where a combustible atmosphere is reasonable to foresee, you must take precautions to prevent arcing.

Enterprise's procedures need to specify that if insulating devices are installed in an area where a combustible atmosphere is reasonable to foresee, precautions must be taken to prevent arcing.

4. **§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:
(6) Minimizing the potential for hazards identified under paragraph (c)(4) of this section and the possibility of recurrence of accidents analyzed under paragraph (c)(5) of this section.

Enterprise's procedures need to specify that the company will minimize potential hazards in Immediate response areas.

5. **§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:
(10) Abandoning pipeline facilities, including safe disconnection from an operating pipeline system, purging of combustibles, and sealing abandoned facilities left in place to minimize safety and environmental hazards. For each abandoned offshore pipeline facility or each abandoned onshore pipeline facility that crosses over, under or through commercially navigable waterways the last operator of that facility must file a report upon abandonment of that facility in accordance with §195.59 of this part.

Enterprise's procedures need to include requirements for reporting offshore facilities that have been abandoned.

6. **§195.402 Procedural manual for operations, maintenance, and emergencies.**

(e) Emergencies. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs;
6) Minimization of public exposure to injury and probability of accidental ignition by assisting with evacuation of residents and assisting with halting traffic on roads and railroads in the affected area, or taking other appropriate action.

Enterprise's procedures need to include consideration to halting rail traffic when minimizing exposure during emergencies.

7. **§195.402 Procedural manual for operations, maintenance, and emergencies.**

(f) Safety-related condition reports. The manual required by paragraph (a) of this section must include instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of §195.55.

Enterprise procedure 5.18 Training needs to reference section 6 for safety related condition training.

Enterprise submitted amended procedures during the inspection for all items except 3A, 3C, 3D, 3H, 3K and 3L. The amended procedures were reviewed and determined to be adequate. The excepted items will need to be amended and submitted to this office for review.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 4-2008-5022M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration

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