

WARNING LETTER

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

September 21, 2021

Graham Bacon
Executive Vice President, Chief Operating Officer
Enterprise Products Operating, LLC
1100 Louisiana Street
Houston, Texas 77002

CPF 4-2021-035-WL

Dear Mr. Bacon:

From February 24, 2020 through March 12, 2021, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Enterprise Products Operating LLC's (Enterprise) Southern Hazardous Liquid Pipeline System located in Texas, Louisiana, and Arkansas.

Based on the inspection, it is alleged that Enterprise has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. § 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 7 1/2 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 its overfill protection system on its highly volatile liquid (HVL) aboveground breakout tank at intervals not to exceed 7 1/2 months, but at least twice 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 as specified per § 195.428(a).

Specifically, Enterprise failed to conduct tests and inspections on its HVL aboveground breakout tanks' overfill protection system at its McRae Tank Station in McRae, Arkansas for the Tanks 1320 and 1321 during calendar years 2018 and 2019. Enterprise only performed overfill protection system tests and inspections for Tanks 1320 and 1321 on September 9, 2018, and September 4, 2019, which is considered annually and in violation of § 195.428(a).

2. § 195.432 - Inspection of in-service breakout tanks.

(a)...

(c) Each operator must inspect the physical integrity of in-service steel aboveground breakout tanks built to API Std 2510 (incorporated by reference, see § 195.3) according to section 6 of API Std 510 (incorporated by reference, see § 195.3).

Enterprise failed to timely inspect the physical integrity of its in-service steel aboveground breakout tanks at its McRae Terminal in McRae, Arkansas. Enterprise records demonstrate the in-service steel aboveground breakout tank was built to API Standard 2510 (IBR) and within the prescribed period indicated in section 6 of API 510 (IBR).

American Petroleum Institute 510, Pressure Vessel Inspection Code: In-Service Inspection, Rating, Repair, and Alteration," Section 6.5.1.1 (Ninth Edition, June 2006), states:

Unless justified by a[n] RBI assessment, the period between internal or on-stream inspections shall not exceed one half [of] the remaining life of the vessel or 10 years, whichever is less. Whenever the remaining life is less than four years, the inspection interval may be the full remaining life up to a maximum of two years. The interval is established by the inspector or engineer in accordance with the owner/user's quality assurance system.

Internal inspections were performed on Enterprise's TK-1320 Butane Storage Tank at McRae Terminal in McRae, Arkansas in August 2009 and March 2020, which exceeds the maximum 10-year interval as required by § 195.432(c).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, Enterprise Products Operating LLC is subject to a civil penalty not to exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violations occurring on or after January 11, 2021, and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violations occurring on or after July 31, 2019, and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations.

For violations occurring on or after November 27, 2018, and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violations occurring on or after November 2, 2015, and before November 27,

2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

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 correct the items identified in this letter. Failure to do so will result in Enterprise Products Operating, LLC being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2021-035-WL**. 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).

Sincerely,

Mary L. McDaniel, P.E.
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

cc: Jeff Morton, Sr. Director, Transportation Compliance, Enterprise Products, jcmorton@eprod.com
Hans Deeb, Sr. Pipeline Compliance Engineer, Enterprise Products, hdeeb@eprod.com
Suzie Davis, Manager, Compliance, Enterprise Products, smdavid@eprod.com