

September 12, 2023

**VIA ELECTRONIC MAIL TO: walter.pinto@enlink.com**

Walter Pinto  
Executive Vice President & Chief Operating Officer  
Enlink Processing Services, LLC  
1722 Routh Street, Suite 1300  
Dallas, Texas 75201

**Re: CPF No. 4-2022-036-NOPV**

Dear Mr. Pinto:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation, assesses a civil penalty of \$57,000, and specifies actions that need to be taken to comply with the pipeline safety regulations. When the civil penalty has been paid and the terms of the compliance order are completed, as determined by the Director, Southwest Region, this enforcement action will be closed. Service of the Final Order by e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

Enclosure (Final Order)

cc: Mr. Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety, PHMSA  
Mr. Michael LeBlanc, Senior Vice President, Operations, Enlink Midstream,  
michael.leblanc@enlink.com  
Mr. Cordell Theriot, Senior DOT Compliance Specialist, Enlink Midstream,  
cordell.theriot@enlink.com

**CONFIRMATION OF RECEIPT REQUESTED**

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

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<b>In the Matter of</b>	)		)
	)		)
<b>Enlink Processing Services, LLC,</b>	)	<b>CPF No. 4-2022-036-NOPV</b>	)
	)		)
<b>Respondent.</b>	)		)

**FINAL ORDER**

From August 9, 2021 through January 17, 2022, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an inspection of Enlink Processing Services, LLC’s (Enlink or Respondent) Sabine natural gas pipeline system in Louisiana and Texas.

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated December 14, 2022, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Enlink committed a violation of 49 C.F.R. Part 192, proposed a civil penalty of \$71,500, and proposed ordering Respondent to take certain measures to correct the alleged violation.

Enlink responded to the Notice by letter dated January 10, 2023 (Response). Enlink contested the item in the Notice, including by stating the number of instances of non-compliance was less than alleged, and also providing information regarding corrective actions taken and describing procedural updates. Enlink did not request a hearing and therefore has waived its right to one.

**FINDING OF VIOLATION**

The Notice alleged that Respondent violated 49 C.F.R. Part 192, as follows:

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 192.467(c), which states:

**§ 192.467 External corrosion control: Electrical isolation.**

(a) ...

(c) Except for unprotected copper inserted in a ferrous pipe, each pipeline must be electrically isolated from metallic casings that are a part of the underground system. However, if isolation is not achieved because it is impractical, other measures must be taken to minimize corrosion of the pipeline inside the casing.

The Notice alleged that Enlink failed to ensure its pipeline system was electrically isolated from metallic casings at 17 locations. Specifically, the Notice alleged that Enlink provided a cathodic protection *Survey Report* for calendar years 2016 through 2020. The report identified 44 unique cased crossings with a metallic short. At the time of the inspection, the Notice alleged Enlink had not initiated action on 17 of the 44 locations to clear the shorted casings or to minimize corrosion on the carrier pipeline inside the casing in accordance with § 192.467(c). In addition, the Notice alleged that Enlink had failed to enter these shorted locations into its work management system within two weeks of discovery as required by its procedures. Finally, the Notice alleged that since the inspection, Enlink has updated its procedures to eliminate the requirement to report deficiencies within two weeks, but that the revised procedure fails to specify how and at what intervals Enlink will monitor and correct shorted casings to comply with § 192.467(c).

In its Response, Enlink stated it disagreed with the allegation in the Notice and explained that only 11 of the 17 casings identified during the inspection are shorted casings. Enlink provided additional documentation with its Response indicating that five of the 17 identified shorted casings had been remediated with wax, and also that an additional one of the shorted casings had tested “clear” in 2020. Therefore, Enlink argued that there were only 11 shorted casings.

Enlink acknowledged that it had updated its procedures to eliminate the requirement to report deficiencies within two weeks and to make attempts to correct deficiencies within six months. The Response further explained Enlink inherited the shorted casings from the previous operator of this pipeline, and that it was not practical to enter the shorted casings into Enlink’s systems within only two weeks. However, Enlink stated it entered the shorted casings into its system once discovered, and has updated its corrosion manual to indicate that 27 cleared casings were metallic. The Response also explained Enlink monitors shorted casings with a gas detector at an interval consistent with its patrolling and leak survey procedures, and has updated its procedures to specify such interval.

A review of the Notice, Enlink’s Response, and the additional documentation provided indicates Enlink admits that 11 of the shorted crossings that OPS alleged in the Notice existed at the time of the inspection, and that it “is diligently working on addressing” those remaining shorted casings. With respect to Enlink’s position as to inputting the shorted casings inherited from a previous operator into its system within two weeks, this was required by Enlink’s own procedures, as described in the Notice. While the Response generally states that Enlink “disagrees with PHMSA’s findings,” it does not provide additional evidence showing compliance with § 192.467(c) regarding actions taken to address the 11 shorted casing locations. Rather, the Response discussions explain the procedural updates Enlink has made since the Notice was issued and address the number of instances of shorted casings that exist. Respondent also admitted that its revised procedures removed the time period to correct deficiencies.

Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.467(c) by failing to ensure its Sabine pipeline system was electrically isolated from metallic casings at 11 locations.

This finding of violation will be considered a prior offense in any subsequent enforcement actions against Respondent.

## ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.<sup>1</sup>

In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; any effect that the penalty may have on its ability to continue doing business; the good faith of Respondent in attempting to comply with the pipeline safety regulations; and self-disclosure or actions to correct a violation prior to discovery by PHMSA. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require.

The Notice proposed a civil penalty of \$71,500 for Respondent's violation of 49 C.F.R. § 192.467(c), for failing to ensure its Sabine pipeline system was electrically isolated from metallic casings at 17 locations. The Response did not address or contest the specific factors listed above as considered in PHMSA's civil penalty assessment in this case. However, Enlink's Response did address the number of shorted casings that existed at the time of OPS' inspection. Enlink provided additional documentation with its response explaining that there were only 11 shorted casings on its Sabine natural gas pipeline system, versus the 17 alleged in the Notice. As such, PHMSA understands Enlink's Response to address the gravity of the alleged violation, as applicable to the number of instances of the alleged violation of § 192.467(c). Enlink has provided sufficient records indicating only 11 shorted casings existed on its Sabine natural gas pipeline system.

In lieu of the 17 instances of shorted casings reflected in the calculation of the proposed civil penalty in the Notice, I have adjusted the gravity of the civil penalty to reflect only 11 such instances. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a revised civil penalty of **\$57,000** for violation of 49 C.F.R. § 192.467(c).

Payment of the civil penalty must be made within 20 days after receipt of this Final Order. Federal regulations (49 C.F.R. § 89.21(b)(3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMK-325), Federal Aviation Administration, Mike Monroney Aeronautical Center, 6500 S MacArthur Blvd, Oklahoma City, Oklahoma 79169. The Financial Operations Division telephone number is (405) 954-8845. Failure to pay the civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

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<sup>1</sup> These amounts are adjusted annually for inflation. See 49 C.F.R. § 190.223 for adjusted amounts.

## **COMPLIANCE ORDER**

The Notice proposed a compliance order for violation of 49 C.F.R. § 192.467(c). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601.

Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 192.467(c), Respondent must develop and implement procedures for performing inspections and tests, implementing remedial measures, and documenting the findings in accordance with § 192.467(c) and (d) to determine the adequacy of electrical isolation and take action to address any remaining shorted casings within 60 days of receipt of the Final Order;
2. Provide the Director, Southwest Region with a record of Enlink's remediation activities for all shorted casing locations on the Sabine pipeline within 120 days of receipt of the Final Order;
3. Train employees responsible for completing tasks on Enlink's updated procedures and submit documentation of such training to the Director within 120 days of receipt of the Final Order; and,
4. Retrain employees responsible for completing cathodic protection survey tasks on how to identify, document, and report concerns with shorted casings and submit documentation of such retraining to the Director within 120 days of receipt of the Final Order.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

PHMSA requests that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. 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.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (*see* 49 C.F.R. § 190.223), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2<sup>nd</sup> Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. The written petition must be received no later than 20 days after receipt of the Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The filing of a petition automatically stays the payment of any civil penalty assessed. The other terms of the order, including any corrective actions, remain in effect unless the Associate Administrator, upon request, grants a stay.

The terms and conditions of this order are effective upon service in accordance with 49 C.F.R. § 190.5.

September 12, 2023

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Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

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Date Issued