U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

September 22, 2023

VIA ELECTRONIC MAIL: gregory.mcilwain@energytransfer.com

Gregory McIlwain
Executive Vice President, Operations
Sea Robin Pipeline Company, LLC
1300 Main Street
Houston, Texas 77002

Re: CPF No. 4-2023-027-NOPV

Dear Mr. McIlwain:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and assesses a reduced civil penalty of $36,800. The penalty payment terms are set forth in the Final Order. This enforcement action closes automatically upon receipt of payment. 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 KRAMER MAYBERRY
Digitally signed by ALAN KRAMER MAYBERRY
Date: 2023.09.22 10:23:42 -04'00'

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety, PHMSA
Mr. Eric Amundsen, Senior Vice President, Operations, Energy Transfer, eric.amundsen@energytransfer.com
Mr. Todd Nardozzi, Director, Regulatory Compliance, Energy Transfer, todd.nardozzi@energytransfer.com
Ms. Heidi Slinkard, Chief Counsel, Energy Transfer, heidi.slinkard@energytransfer.com

CONFIRMATION OF RECEIPT REQUESTED

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

In the Matter of	)	
	)	
Sea Robin Pipeline Company, LLC,	)	**CPF No. 4-2023-027-NOPV**
a subsidiary of Energy Transfer LP,	)	
	)	
Respondent.	)	
	)	

FINAL ORDER

From February 28 through June 23, 2022, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), inspected Sea Robin Pipeline Company, LLC's (Sea Robin or Respondent) offshore pipeline system in the Gulf of Mexico and Louisiana. Sea Robin is a subsidiary of Energy Transfer LP.[1] Sea Robin's offshore gas transmission system in the Gulf of Mexico and southern Louisiana is comprised of 827 miles of pipeline.[2]

As a result of the inspection, the Director, Southwest Region, Office of Pipeline Safety (Director), issued to Respondent, by letter dated March 24, 2023, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Sea Robin had committed one violation of 49 C.F.R. Part 192 and proposed assessing a civil penalty of $39,400 for the alleged violation.

Energy Transfer, on behalf of Sea Robin, responded to the Notice by letter dated April 23, 2023 (Response). Respondent did not contest the allegation of violation described in the Notice and made no admission or denial, but requested that the proposed civil penalty be reduced. Sea Robin did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

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

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[1] *Sea Robin Pipeline Company, LLC*, ENERGY TRANSFER, https://sermessenger.energytransfer.com/ipost/SER (last accessed September 20, 2023).

[2] *See* PHMSA Violation Report, CPF 4-2023-027-NOPV (hereinafter "Violation Report"), at 1, on file with PHMSA.

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.605(a), which states:

> **§ 192.605 Procedural manual for operations, maintenance, and emergencies.**
> (a) *General.* Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

The Notice alleged that Sea Robin violated 49 C.F.R. § 192.605(a) by failing to remediate atmospheric corrosion found during an inspection at the Vermillion 149 platform within one calendar year, not to exceed 15 months, in accordance with its procedures and § 192.481(c).[3]

In the Response, Respondent did not contest the allegation of violation as described in the Notice and made no admission or denial. Accordingly, after considering all of the evidence, I find that Sea Robin violated 49 C.F.R. § 192.605(a) by failing to remediate atmospheric corrosion found during an inspection at the Vermillion 149 platform within one calendar year, not to exceed 15 months, in accordance with its procedures and § 192.481(c).

This finding of violation will be considered a prior offense in any subsequent enforcement action taken 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.[4]

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

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[3] 49 C.F.R. § 192.481(c) states: "If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by § 192.479."

[4] These amounts are adjusted annually for inflation. *See* 49 C.F.R. § 190.223 for adjusted amounts.

proposed a total civil penalty of $39,400 for the violation cited above.

Item 1: The Notice proposed a civil penalty of $39,400 for the violation of 49 C.F.R. § 192.605(a), for failing to remediate atmospheric corrosion found during an inspection at the Vermillion 149 platform within one calendar year, not to exceed 15 months, in accordance with its procedures and § 192.481(c).

In the Response, Sea Robin requested reduction of the proposed civil penalty. With respect to the instances of violation, Respondent argued it was unfairly penalized for including additional detail in its April 2019 inspection report. It stated that all four items requiring remediation were on the same platform, inspected the same day, and all received the same remediation classification (Case 6). Respondent argued its technician could have elected to document this inspection more succinctly by including each of these four items together as the Vermillion 149 platform. As such, Sea Robin requested a reduction of the instances of violation from four to one.

According to Sea Robin's procedures, a Case 6 classification indicates, "[a]ny corrosion other than light surface oxide found on natural gas piping due to missing, degraded, or failed atmospheric coating systems not classified as Case 1-5."[5] Sea Robin's procedure D.44 Atmospheric Corrosion Inspection (D.44) requires the following action item for Case 6 indications: "Requires coating remediation/rehabilitation. Repair or replace existing coating system per Company Standards."[6] Sea Robin's procedure D.40 Corrosion Control Remedial Action describes the remedial actions required for corrosion control issues and includes the following instructions in section 4.0: "Restore offshore atmospheric corrosion protection within one calendar year following discovery, not to exceed 15 months from the date deficiencies were discovered."[7]

I find a reduction in the number of instances of violation is not necessary based on this argument. Here, the instances of violation were not based on the four "Case 6" items requiring remediation identified on the same day in Sea Robin's April 2019 inspection report. Rather, the instances were based on Respondent's performance of four separate surveys or inspections in a three-year period in which it identified separate areas of corrosion, but Sea Robin failed to remediate the identified corrosion within one calendar year, not to exceed 15 months.

Sea Robin personnel provided PHMSA with two forms D.40.A Corrosion Control Remedial Action Report, dated April 17, 2019.[8] These forms include two action items. Item 17 for the Vermillion 149 Roof Deck states, "[g]as coolers have severe corrosion that needs to be blasted and painted." Item 18 states, "[a]ll 3 units and unit piping needs to be blasted and painted." Sea Robin also provided its form MC_ATM_CM_V_2022, Atmospheric Report, which notes a Case 6 atmospheric classification on the Vermillion 149 platform following surveys dated April 15,

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[5] *See* Violation Report, Exhibit A, Appendix A, on file with PHMSA.

[6] *Id*.

[7] *See* Violation Report, Exhibit B, on file with PHMSA.

[8] *See* Violation Report, Exhibit C, on file with PHMSA.

2019, April 16, 2019, April 14, 2020, and April 12, 2021.[9]

Respondent conducted surveys or inspections on April 15, 2019, April 16, 2019, April 14, 2020, and April 12, 2021, where corrosion was identified, but Respondent failed to perform remediation within 15 months. In a recommendation for final action submitted pursuant to § 190.209(b)(7), the Director recommended reducing the instances of violation from four to three, one for each year that Sea Robin failed to carry out remedial action pursuant to the timeframe found in its procedures. Based upon the foregoing, I reduce the number of instances from four to three, and I assess a reduced civil penalty of **$36,800** for the violation of 49 C.F.R. § 192.605(a).

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, 2nd 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 brief 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 action, remain in effect unless the Associate Administrator, upon request, grants a stay. If Respondent submits payment of the civil penalty, the Final Order becomes the final administrative decision and the right to petition for reconsideration is waived.

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

ALAN KRAMER MAYBERRY
Digitally signed by ALAN KRAMER MAYBERRY
Date: 2023.09.22 10:23:19 -04'00'

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

September 22, 2023
Date Issued

[9] *Id*.