



By Electronic Mail

April 23, 2023

Mr. Bryan Lethcoe
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration
US Department of Transportation
8701 South Gessner, Suite 630
Houston, Texas 77074

Re: CPF 4-2023-027-NOPV
Notice of Probable Violation and Proposed Civil Penalty

Dear Mr. Lethcoe:

Pursuant to 49 C.F.R. § 190.208, Sea Robin Pipeline Company (SRPL or Company) submits this written response to a Notice of Probable Violation (NOPV) and Proposed Civil Penalty (PCP) (collectively referred to as the “Notice”) issued on March 24, 2023, by the Pipeline and Hazardous Materials Safety Administration (PHMSA) and received by SRPL on that same day. The PHMSA Notice alleges one (1) violation and includes a PCP in the amount of \$39,400.

On April 3, 2023, SRPL requested PHMSA provide the Case File and Civil Penalty Worksheet as allowed by § 190.208(c) and § 190.209(b)(2) and Docket No. PHMSA 2016-0101. PHMSA provided these items via electronic mail on April 4, 2023.

By way of background, this Notice was issued following an inspection of the SRPL offshore pipeline system in the Gulf of Mexico and Louisiana from February 28 through June 23, 2022. The Notice provided for 30 days following receipt to submit written comments; thus, this response is timely. SRPL makes no admission nor denial of the allegation of Probable Violation identified in the Notice, however, is requesting a reduced Civil Penalty for reasons identified in this response.

The Company appreciates PHMSA’s review and consideration of this submission and shares PHMSA’s commitment to pipeline safety, public safety, and pipeline integrity. Should you have any questions or concerns please contact me at (713) 989-7126 or via email at todd.nardozzi@energytransfer.com.

Sincerely,

Todd Nardozzi
Director – Regulatory Compliance

cc: Eric Amundsen, SVP Operations
Leif Jensen, VP Tech Services
Heidi Slinkard, Chief Counsel

1. § 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.

§ 192.481 Atmospheric corrosion control: Monitoring.

(a)

(c) If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by § 192.479.

Sea Robin failed to provide protection against atmospheric corrosion found during an inspection in accordance with § 192.481(c) and its procedures. Specifically, Sea Robin failed 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 § 192.605(a).

Sea Robin's procedures, *D.40 Corrosion Control Remedial Action* (D.40), requires remediation "of offshore atmospheric corrosion protection within one calendar year following discovery, not to exceed 15 months from the date deficiencies were discovered." During Sea Robin's inspection on April 15-16, 2019, it discovered several areas on the Vermillion 149 platform that required remediation of atmospheric corrosion control. Specifically, the "gas coolers had severe corrosion that need to be blasted and painted," and "all 3 compressor units and unit piping need to be blasted and painted."

On June 23, 2022, PHMSA inspected the Vermillion 149 platform and observed that the remediation had not been completed on compressors 1 and 2 or the gas coolers. Compressor 3 had been disconnected from service. Additionally, Sea Robin blocked gas flow to the compressor area in November 2021.

On August 8, 2022, after the inspection, Sea Robin completed the remediation and provided records and photographs of the completed remediations.

Therefore, Sea Robin failed to provide protection against atmospheric corrosion found during an inspection in accordance with § 192.481(c) and its procedures.

SRPL Response

SRPL makes no admission nor denial of the allegation of Probable Violation described in the March 24, 2023 Notice. Since the time of the discovery of the condition by PHMSA, the Company has completed all remedial measures to address the atmospheric corrosion on the Vermillion 149 platform and provided evidence of such to PHMSA as described in the Notice.

Proposed Civil Penalty

For the Probable Violation of § 192.481(c) and SRPL procedures, PHMSA has issued the Company a Proposed Civil Penalty in the amount of \$39,400. Based upon the SRPL review of the Proposed Civil Penalty Worksheet included with the PHMSA Case File, PHMSA has indicated that there were four (4) instances of Probable Violation in this case.

SRPL neither admits nor denies the allegation of Probable Violation, however, the Company disagrees with the PHMSA assertion that there were four (4) separate instances of Probable Violation in this matter. Section 7.3 of SOP D.44 “Atmospheric Corrosion Inspection” in effect at the time of the April 16, 2019 atmospheric corrosion inspection of the Vermillion 149 platform encouraged (not required) the user to provide a more complete description of a site/locations coating conditions because these conditions are rarely uniform for an entire site/location. In this case, the technician noted that the gas coolers and compressor units should have their atmospheric corrosion protection mechanism remediated. However, SRPL points out to PHMSA, that all items were on the same platform, inspected on the same day (April 16, 2019) and all found to be graded as a Case 6, which per SOP D.44 required remediation or rehabilitation. In this instance, given the uniformity of the condition(s), the technician could have elected to document this inspection more succinctly by stating that the gas coolers and compressor units on the Vermillion 149 platform are classified as a Case 6 and require remediation or rehabilitation of the atmospheric corrosion protection mechanism. Instead, these items were listed separately on the Company inspection form and PHMSA has used this additional voluntary detail as justification to allege four (4) Probable Violations. SRPL finds the PHMSA approach to this matter overly penal and lacking merit given the circumstances. Should there have been a series of similar Probable Violations discovered by PHMSA which occurred at various locations across the SRPL system, and/or which were documented on various dates, then SRPL would not disagree with the finding of multiple, similar Probable Violations. In this matter however that is not the case and SRPL requests that PHMSA reconsider the assignment of four (4) instances of Probable Violation, reduce the instance to one (1) and recalculate the Proposed Civil Penalty accordingly.