

WARNING LETTER

VIA ELECTRONIC MAIL

January 12, 2023

Mr. Eric Amundsen
Senior Vice President of Operations
Energy Transfer Company
1300 Main Street,
Houston, TX 77002

CPF 4-2023-030-WL

Dear Mr. Amundsen:

From May 2 through 5 and June 21 through 23, 2022 a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.), conducted a field site construction inspection of Enable Gulf Run Transmission, LLC's (Enable) Gulf Run Project in Natchitoches, Louisiana.

As a result of the inspection, it is alleged that Enable 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. § 192.225 Welding procedures.

(a) Welding must be performed by a qualified welder or welding operator in accordance with welding procedures qualified under section 5, section 12, Appendix A or Appendix B of API Std 1104 (incorporated by reference, see § 192.7), or section IX of the ASME Boiler and Pressure Vessel Code (ASME BPVC) (incorporated by reference, see § 192.7) to produce welds meeting the requirements of this subpart. The quality of the test welds used to qualify welding procedures must be determined by destructive testing in accordance with the applicable welding standard(s).

(b) Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.

Enable failed to perform welding in accordance with the qualified welding procedures as required by § 192.225(a) and (b) during construction of the Enable Gulf Run Pipeline.

On May 4, 2022, PHMSA observed welding on a field joint at mile post marker 29. When questioned by PHMSA inspectors, the welders were not able to identify the welding procedure being used or describe the welding parameters they were required to follow as specified by the procedure. Specifically, the welders were unable to identify any of the welding parameters specified by the qualified welding procedure WPS GRP-M-WPS1, such as electrode specifications and sizes, pre-heat temperature requirements, voltage, amperage, and travel speed. Without knowledge of these parameters, the welders could not have been performing the welds according to the qualified welding procedure. Since Enable's welding operators did not follow a qualified welding procedure, Enable cannot verify that the completed welds have the required strength and mechanical properties.

Therefore, Enable failed to perform welding in accordance with the qualified welding procedures as required by § 192.225(a).

2. § 192.303 Compliance with specifications or standards.

Each transmission line or main must be constructed in accordance with comprehensive written specifications or standards that are consistent with this part.

Enable failed to follow its written specification for excavating in accordance with § 192.303 while installing the Gulf Run transmission line in the ditch. Enable's construction specification document, CS-055: Excavation, includes specifications for the minimum width of the ditch as well as the spoil bank setback from the ditch. Section 1.0 states that "[a]dherence to this specification is required in an effort to ensure the safety of all employees and Contractors of the Company."

During inspection of the Enable Gulf Run Pipeline on May 4, 2022, PHMSA observed pipe laid in a ditch between mile markers 28 and 29 that did not meet the width specifications required by CS-055. The Enable specification states the minimum width requirement in section 2.2.2: "Unless otherwise specified by Company, the ditch shall be excavated to a width of not less than twelve inches (12") greater than nominal diameter of the pipe." However, the sides of the excavated ditch were bearing against the pipe, so the ditch was not 12 inches greater than the pipe diameter. Failure to comply with this specification may result in damage to the pipeline and coating.

Section 2.2.2 of CS-055 requires that the edge of the excavated spoil bank be no closer than two feet from the edge of the pipe ditch. During the PHMSA inspection on June 22, 2022, the spoil bank setback was less than two feet from the edge of the pipe ditch. Failure to comply with this specification may result in rocks and debris falling back into the ditch potentially damaging the pipeline and coating or potentially compromising the required depth of cover by reducing the depth of the ditch prior to lowering.

Therefore, Enable failed to follow its written specification for excavating in accordance with § 192.303 while installing the Gulf Run transmission line in the ditch.

3. § 192.235 Preparation for welding.

Before beginning any welding, the welding surfaces must be clean and free of any material that may be detrimental to the weld, and the pipe or component must be aligned to provide the most favorable condition for depositing the root bead. This alignment must be preserved while the root bead is being deposited.

Enable failed to properly align the pipe to provide the most favorable condition for depositing the root bead during the Enable Gulf Run Pipeline construction project as required by § 192.235. Enable's written specification CS-100, section 2.8.2.a states that "the offset between pipe surfaces of the same nominal wall thickness should not exceed 1/16 inch." During a PHMSA inspection on June 22, 2022, the alignment for welds of the 42-inch, 0.600-inch wall pipe exceeded the specified maximum offset of 1/16 inch.

In addition, Enable failed to follow its written specification for pipe alignment in accordance with § 192.303. PHMSA inspectors observed a 42-inch, 0.600-inch wall pipe being directly welded to 42-inch, 0.720 wall pipe. The Enable CS-100 specification requires that pipes with wall thickness differences greater than 3/32 inch must be joined using a transition piece.

Enable also failed to conduct adequate visual inspections to ensure that the welding is performed in accordance with the welding procedure as required by § 192.241(a). When PHMSA notified Enable of the excessive misalignment, Enable personnel were not visually inspecting the offset and seemed unaware of their own specifications to limit the offset, or the requirement to use a transition piece for joining pipes with wall thicknesses that differ by more than 3/32 inch.

The Automated Ultrasonic Testing (AUT) nondestructive examination also detected the excessive misalignment. The AUT results showed excessive offset (high-low) through geometric indications. Section 192.243(c) states that "[p]rocedures must be established for the proper interpretation of each nondestructive test of a weld to ensure acceptability of the weld under § 192.241(c)." When PHMSA raised the issue during the inspection, the AUT technician responded that evaluating or reporting of high-low was not required for this project. Therefore, Enable failed to follow its misalignment specifications on the Gulf Run Pipeline construction project.

4. § 192.461 External corrosion control: Protective coating.

(a)

(c) Each external protective coating must be inspected just prior to lowering the pipe into the ditch and backfilling, and any damage detrimental to effective corrosion control must be repaired.

Enable failed to properly inspect the protective coating just prior to lowering the pipeline in the ditch as required by § 192.461(c). To conduct this inspection, Enable uses an electronic jeeping device designed to detect defects or holidays in the pipeline coating. This device must be properly

calibrated and the detection threshold set based on the thickness of the pipeline coating for coating defects to be discovered and repaired.

During the inspection, Enable's technicians performing the inspections could not provide the specifications for calibrating the jeeping device or state any of the factors, such as coating thickness, required to properly set the detection threshold. The manufacturer's instruction manual for the SPY Model 780 jeep used by Enable specified two methods for calibrating, properly setting the detection threshold and testing the device to ensure coating holidays were being detected. Technicians performing the inspections had not completed either method resulting in the possibility that defects in the pipeline coating were not being detected and repaired. Failure to detect and repair pipeline coating defects could result in external corrosion and corrosion-related failures of the pipeline.

Therefore, Enable failed to properly inspect the protective coating just prior to lowering the pipeline in the ditch as required by § 192.461(c).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,142 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not 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 violation 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 violation 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 violation 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 violation 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 may result in Enable Gulf Run Transmission, LLC being subject to additional enforcement actions.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2023-030-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,

Bryan Lethcoe
Director, Southwest Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Copy to: Todd Nardozi - Director, Regulatory Compliance, todd.nardozi@energytransfer.com