



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

8701 S. Gessner, Suite 630
Houston TX 77074

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

VIA ELECTRONIC MAIL

May 11, 2023

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

CPF 4-2023-045-NOPV

Dear Mr. Bacon:

From February 2 through September 6, 2022, a representative 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) procedures, records and facilities for the Texas Express Pipeline System in Houston, Mont Belvieu, and Skellytown, Texas.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. § 195.406 Maximum operating pressure.

(a)

(b) No operator may permit the pressure in a pipeline during surges or other variations from normal operations to exceed 110 percent of the operating pressure limit established under paragraph (a) of this section. Each operator must provide adequate controls and protective equipment to control the pressure within this limit.

Enterprise failed to provide adequate controls to control the pressure within 110 percent of the operating limit in accordance with § 195.406(b). Specifically, Enterprise established shutdown limits at 115 percent of the operating pressure limit, rather than 110 percent, at its Memphis, Archer City, and Reliance pump stations.

During the inspection, the testing of the high pressure shut down at the pump stations revealed that the settings for the alarms were greater than 110 percent of the maximum operating pressure (MOP) at the stations. Enterprise acknowledged that it had established the Moore relay shutdown limits at the six new stations at 115% of established MOP, rather than 110% of MOP.

Therefore, Enterprise failed to provide adequate controls to control the pressure within 110 percent of the operating limit in accordance with § 195.406(b).

2. § 195.52 Immediate notice of certain accidents.

(a) *Notice requirements.* At the earliest practicable moment following discovery, of a release of the hazardous liquids or carbon dioxide transported resulting in an event described in § 195.50, but no later than one hour after confirmed discovery, the operator of the system must give notice, in accordance with paragraph (b) of this section of any failure that:

(1)

(2) Resulted in either a fire or explosion not intentionally set by the operator;

(3) Caused estimated property damage, including cost of cleanup and recovery, value of lost product, and damage to the property of the operator or others, or both, exceeding \$50,000;

Enterprise failed to notify the National Response Center within one hour following confirmed discovery of a release in accordance with § 195.52(a)(2) & (a)(3). Specifically, Enterprise failed to notify the NRC of two reportable accidents within one hour that occurred on July 18, 2019, and May 24, 2022.

With respect to the first reportable accident, a flash fire occurred on July 18, 2019, at 1:15 pm during installation of a bypass spool between pig traps at the Hammond pump station. Enterprise notified NRC at 2:30 pm, over one hour after confirmed discovery (NRC Accident Report No. 20190257-32990).

With respect to the second reportable accident, Enterprise observed a vapor cloud at 7:21 am on May 24, 2022 that caused estimated property damage exceeding \$50,000. Enterprise notified NRC at 9:09 am, over one hour after confirmed discovery (NRC Accident Report No. 20220118-36757).

Therefore, Enterprise failed to notify the NRC within one hour following confirmed discovery of a release in accordance with § 195.52(a)(2) & (a)(3).

Proposed Compliance Order

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 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 propose a civil penalty assessment at this time.

With respect to Item 1 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Enterprise Products Operating, LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Item

With respect to Item 2 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 promptly correct this item. Failure to do so may result in additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. 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).

Following the receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 4-2023-045-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Enterprise Products Operating, LLC (Enterprise) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Enterprise with the pipeline safety regulations:

- A. In regard to Item 1 of the Notice pertaining to Enterprise's failure to provide adequate controls to control the pressure on its Moore relay systems used for protection of pumping equipment from exceeding 110 percent of the operating pressure limit established, Enterprise must reprogram and reset the alarm limits to a maximum of 110% of the established maximum operating pressure at all six new pump stations within **30** days of the issuance of the Final Order and submit corresponding records within **90** days of the issuance of the Final Order.
- B. It is requested (not mandated) that Enterprise maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Bryan Lethcoe, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. 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.