

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: tom.long@energytransfer.com

October 16, 2023

Thomas Long
Chief Executive Officer
Energy Transfer Company
8111 Westchester Drive
Dallas, Texas 75225

CPF 4-2023-051-NOA

Dear Mr. Long:

From February 28 to June 24, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Panhandle Eastern Pipeline Company's (PEPL) written plans and procedures for its natural gas pipeline facilities in Missouri, Kansas, Oklahoma, and Texas.

As a result of the inspection, PHMSA has identified the apparent inadequacies found within PEPL's plans or procedures. The items inspected and the inadequacies are described below:

1. § 192.605 Procedural manual for operations, maintenance, and emergencies.

(a)

(b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

§ 192.703 General.

(a)

(c) Hazardous leaks must be repaired promptly.

PEPL's written procedures for conducting operations and maintenance activities were inadequate to assure safe operation of a pipeline facility in accordance with § 192.605(b)(1). Specifically, PEPL's O&M manual failed to include procedures requiring the prompt repair of hazardous leaks for emergency valves in accordance with § 192.703(c).

PEPL's *Standard Operating Procedure Emergency (PHMSA) Valve Inspection, Maintenance and Operation*: M.01 (June 9, 2022), section 7.1, requires inspection of the valve and valve operator for evidence of leaks, but it does not require prompt repair of an observed hazardous leak.

Therefore, PEPL's written procedures for conducting operations and maintenance activities were inadequate to assure safe operation of a pipeline facility in accordance with §§ 192.605(b)(1) & 192.703(c). PEPL must revise its procedures as specified above.

2. § 192.605 Procedural manual for operations, maintenance, and emergencies.

(a)

(b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

§ 192.731 Compressor stations: Inspection and testing of relief devices.

(a)

(b) Any defective or inadequate equipment found must be promptly repaired or replaced.

PEPL's written procedures for conducting operations and maintenance activities were inadequate to assure safe operation of a pipeline facility in accordance with § 192.605(b)(1). Specifically, PEPL's procedure, *Standard Operating Procedure, Relief Valves Testing, Inspection, and Maintenance: M.05* (June 28, 2022) was inadequate because it gives inconsistent directions when relief valves fail or need repair.

Section 4.0 *Frequency* instructs to repair or replace relief valves promptly, prior to the next inspection cycle, as required, while section 7.2.1 *Relief Valves with Isolation Valves* instructs to adjust, repair and retest, as necessary. In other words, under section 7.2.1., a defective or inadequate relief valve may be adjusted and retested instead of repaired or replaced promptly as required by section 4.0.

Therefore, PEPL's written procedures for conducting operations and maintenance activities were inadequate to assure safe operation of a pipeline facility in accordance with §§ 192.605(b)(1) & 192.731(b). PEPL must revise its procedures as specified above.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Compliance 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 submit written comments, revised procedures, or a request for a hearing under § 190.211. 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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 90 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Panhandle Eastern Pipeline Company maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Bryan Lethcoe, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2023-051-NOA** 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

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings

cc: Mr. Greg McIlwain, Executive Vice President of Operations, Energy Transfer, LP,
gregory.mcilwain@energytransfer.com
Mr. Eric Amundsen, Senior Vice President of Operations, Energy Transfer, LP,
eric.amundsen@energytransfer.com

Mr. Todd Stamm, Senior Vice President of Operations, Energy Transfer, LP,
todd.stamm@energytransfer.com
Ms. Jennifer Street, Senior Vice President of Operations Services, Energy Transfer, LP,
jennifer.street@energytransfer.com
Ms. Heidi Murchison, Chief Counsel, Energy Transfer, LP,
heidi.murchison@energytransfer.com
Mr. Leif Jensen, Vice President of Tech Services, Energy Transfer, LP,
leif.jensen@energytransfer.com
Mr. Todd Nardoizzi, Director, Regulatory Compliance, Energy Transfer, LP,
todd.nardoizzi@energytransfer.com
Ms. Susie Sjulín, Director, Regulatory Compliance, Energy Transfer, LP,
susie.sjulin@energytransfer.com