



January 15, 2024

Mr. Bryan Lethcoe
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration
Office of Pipeline Safety
8701 S. Gessner Rd, Suite 630
Houston, Texas 77074

Via email: bryan.lethcoe@dot.gov

**Subject: Panhandle Eastern Pipeline Company (PEPL)
Response to Notice of Amendment CPF 4-2023-051-NOA**

Dear Mr. Lethcoe,

This letter constitutes the response of Panhandle Eastern Pipeline Company (PEPL) to the Notice of Amendment (NOA), CPF 4-2023-051, issued by PHMSA on October 16, 2023, and received by the Company on October 18, 2023.

Please note that the attached exhibits to this submission contain confidential business information and confidential security information that is protected from public disclosure under the Freedom of Information Act (FOIA), 5 U.S.C. § 552. As such, those exhibits are marked "Confidential". Should PHMSA receive a FOIA request for this information, the Agency is required to notify Energy Transfer and provide the Company with an adequate opportunity to substantiate its claim, prepare redactions, and/or object, if warranted.

Alleged Inadequacies:

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 and Corrective Actions:

NOA Item 1: PEPL refutes this alleged inadequacy. SOP M.01 - Emergency (PHMSA) Valve Inspection, Maintenance and Operating Procedures is intended to establish the requirements for emergency valve, valve operator and RCV inspection, maintenance, and operation in accordance with company and federal regulations, as defined in the SOP scope. SOP M.01, Section 7.0, Activity Step 4, states that employees must "Immediately REPORT (within 24 hours) issues with the inspection, maintenance, and operation (that has not been corrected) for any emergency valve to the Operations Manager/Supervisor. Contingency plans may need to be made for addressing the valve issue until repairs can be made".

Any hazardous leak encountered by an employee, regardless of how it is identified, is addressed by use and application of SOP A.08: Field Emergency Response Procedures. Restating the requirements of SOP A.08 in all applicable SOPs would be both ineffective and redundant.

Hazardous Leak is defined in the Company's SOP A.01 Glossary and Acronyms as:

- Any Leak which, in the judgment of operating personnel at the scene, is regarded as an immediate hazard.
- Escaping gas that has ignited.
- Any indication of gas, which has migrated into or under a building, or into a tunnel.

- Any reading at the outside wall of a building, or where gas would likely migrate to an outside wall of a building.
- Any indication that can be seen, heard, or felt, and which is in a location that may endanger the general public or property.

See Exhibit 1: SOP M.01 Emergency (PHMSA) Valve Inspection, Maintenance and Operating Procedures

See Exhibit 2: SOP A.01 Glossary and Acronyms

See Exhibit 3: SOP A.08: Field Emergency Response Procedures

NOA Item 2: PEPL refutes this alleged inadequacy. SOP M.05 Relief Valves Testing, Inspection, and Maintenance, Section 4, copied below, has three frequencies. The first requires relief valves be tested and inspected once per calendar year not to exceed 15 months. The second is regarding testing of farm tap pressure safety devices and the third frequency is a statement that any relief device should be repaired or replaced "as required" meaning that it could be required at any time a relief device is found to need repair whether during an inspection, after an event, after a malfunction, etc. 7.2.1 is a subprocess of 7.2 Annual Test and Inspection. Should a device be found to be inadequate or defective, and step 10 of 7.2.1 cannot be followed, the replacement of the defective component would be required as documented in the "Caution" statement.

M.05, Section 4 Frequency:

Once per calendar year, not to exceed fifteen (15) months: Testing and inspection of relief valves.

Three Years, not to exceed thirty-nine (39) months: Farm Taps - each pressure regulating and limiting device as specified in 192.740 must be inspected and tested for individual service lines directly connected to a production, gathering, or transmission pipeline that is not operated as part of a distribution system.

As required: Repair or replace relief valves promptly, prior to the next inspection cycle.

CAUTION: *Consult with Operations Management when relief valves fail or are in need of repair between inspection cycles which cannot be corrected at the time of discovery. A contingency plan may need to be put in place to replace the service of the relief valve. The relief valve repair should not extend past the next inspection cycle before corrective action is performed.*

Unplanned EAM work orders will be used to document the unplanned relief valve work.

See Exhibit 4: SOP M.05 Relief Valves Testing, Inspection, and Maintenance

With the actions taken and supporting documentation provided herein, PEPL believes it has fulfilled the requirements of this NOA. Should you have any questions in this regard, please contact Jimmy Cross at 405-576-8230 or at Jimmy.Cross@EnergyTransfer.com.

Respectfully,



Eric Amundsen
Senior VP, Operations

Exhibits:

1. SOP M.01 Emergency (PHMSA) Valve Inspection, Maintenance and Operating Procedures
2. SOP A.01 Glossary and Acronyms
3. SOP A.08 Field Emergency Response Procedures
4. SOP M.05 Relief Valves Testing, Inspection, and Maintenance

cc: Leif Jensen, Energy Transfer
 Susie Sjulín, Energy Transfer
 Jimmy Cross, Energy Transfer
 Heidi Murchison, Energy Transfer