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

1200 New Jersey Avenue, SE
Washington, DC 20590

December 29, 2025

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

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

Re: CPF No. 4-2023-052-NOPV

Dear Mr. Long:

Enclosed please find the Final Order issued in the above-referenced case. It withdraws one of the allegations of violation, makes other findings of violation, and finds that Panhandle Eastern Pipeline Company has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety, PHMSA
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
Ms. Heidi Murchison, Chief Counsel, Energy Transfer, LP, heidi.murchison@energytransfer.com
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Ms. Susie Sjulin, Director, Regulatory Compliance, Energy Transfer, LP,
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CONFIRMATION OF RECEIPT REQUESTED

U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590

In the Matter of	)	
Panhandle Eastern Pipeline Company, a subsidiary of Energy Transfer Co.,	)	**CPF No. 4-2023-052-NOPV**
Respondent.	)	

FINAL ORDER

From February 28 through June 24, 2022, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Panhandle Eastern Pipeline Company (PEPL or Respondent) in Missouri, Kansas, Oklahoma, and Texas.

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated October 16, 2023, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 CFR § 190.207, the Notice proposed finding that PEPL had committed three violations of 49 CFR Part 192 and proposed ordering Respondent to take certain measures to correct the alleged violations.

PEPL responded to the Notice by letter dated January 15, 2024 (Response). Respondent contested one of the allegations and offered additional information in response to the Notice. Respondent did not request a hearing and therefore has waived its right to one.

FINDINGS OF VIOLATION

The Notice alleged that Respondent violated 49 CFR Part 192 as follows:

Item 1: The Notice alleged that Respondent violated 49 CFR § 192.605(a), which states:

> **§ 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.

The Notice alleged that Respondent violated 49 CFR § 192.605(a) by failing to follow its manual of written procedures and promptly repair or replace defective or inadequate equipment in accordance with section 192.731(b)[1] and section 4.0 of its Standard Operating Procedure (SOP), Relief Valves Testing Inspection and Maintenance: M.05 (dated June 28, 2022). Specifically, the Notice alleged that PEPL failed to promptly repair or replace relief valve 5RV-3S, used for secondary overpressure protection at the Olpe Compressor, which drifted above the set point four times since 2017.

In its Response, PEPL contested Item 1. PEPL argued that annual inspections are done to ensure the device is set properly and to adjust or repair the device as needed. PEPL stated that annual maintenance and checks allow the operator to adjust the setpoint if there is a plus or minus drift. PEPL stated that minor fluctuations in setpoint are to be expected for a mechanical device and that every time valve 5RV-3S was found to have drifted it was reset. PEPL stated that relief valve 5RV-3S was replaced in October 2019. Finally, PEPL argued that it had adhered to the requirements of its SOP as demonstrated by the timely performance and adjustment, as needed, of the relief device during testing and inspections.

The facts in the record show that Respondent installed the subject relief valve in 2019. The setpoint of the valve, or the pressure at which the valve starts to relieve, was set at 809 psig. Photographs show this setpoint value stamped on the body of the valve. Respondent performed a routine inspection of the valve in 2020 and determined the setpoint had drifted to 832 psig, or approximately 2.8 percent above the initial value. Respondent reset the setpoint to 809 psig. At the next annual inspection in 2021, the setpoint was found to be 814 psig, or roughly 0.6 percent above the original value and was reset. In 2022, Respondent inspected the relief valve during the PHMSA inspection in May and determined the setpoint was at 813 psig, or 0.5 percent above the original value. Respondent reset the setpoint and inspected the relief valve again in August and December 2022, finding the setpoint at 808 psig and 809 psig, representing differences of 0.1 percent and 0.0 percent, respectively.

The Notice alleged the drifting of the setpoint that occurred between 2020 and 2022 proved the relief valve was defective or inadequate, requiring Respondent to repair or replace the valve.[2] This allegation appears to be based on an implied assertion that the relief valve must be defective or inadequate whenever the setpoint is found to have drifted. The record in this case, however, does not prove such an inference was necessarily the case. Respondent noted that "minor fluctuations . . . are typical for such a mechanical device." In addition, the record is absent any

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[1] Section 192.731(b) states: "Any defective or inadequate equipment found must be promptly repaired or replaced."

[2] The Notice also referenced drifting in 2018, but that was a different valve than the one installed in 2019.

authoritative source upon which a conclusion must be drawn that the drift identified, which was as little as one-half of one percent (or less), could not be within the acceptable tolerance of the device at issue.[3] Without additional evidentiary support to show Respondent was required to follow its procedures to repair or replace the valve, the allegation of violation fails.

Accordingly, after considering all of the evidence, the alleged violation of 49 CFR § 192.605(a) is hereby withdrawn. This withdrawal does not preclude PHMSA from determining, based on a finding of sufficient evidence, that a relief valve with set point drift is defective or inadequate in a future case. Likewise, this withdrawal does not remove any obligation an operator may have to account for set point drift in its inspection and operating procedures to ensure pressure on a pipeline does not exceed prescribed limits

Item 2: The Notice alleged that Respondent violated 49 CFR § 192.905(a), which states:

> **§ 192.905 How does an operator identify a high consequence area?**
> (a) *General.* To determine which segments of an operator's transmission pipeline system are covered by this subpart, an operator must identify the high consequence areas. An operator must use method (1) or (2) from the definition in § 192.903 to identify a high consequence area. An operator may apply one method to its entire pipeline system, or an operator may apply one method to individual portions of the pipeline system. An operator must describe in its integrity management program which method it is applying to each portion of the operator's pipeline system. The description must include the potential impact radius when utilized to establish a high consequence area. (*See* appendix E.I. for guidance on identifying high consequence areas.)
> (b)(1) *Identified sites.* An operator must identify an identified site, for purposes of this subpart, from information the operator has obtained from routine operation and maintenance activities and from public officials with safety or emergency response or planning responsibilities who indicate to the operator that they know of locations that meet the identified site criteria. These public officials could include officials on a local emergency planning commission or relevant Native American tribal officials.

The Notice alleged that Respondent violated 49 CFR § 192.905(a) by failing to identify a high

[3] In *Explorer Pipeline Company*, Order Directing Amendment, CPF No. 3-2013-5010M, 2015 WL 4882526, at *3 (July 9, 2015), PHMSA determined an operator's written procedures were inadequate because they did not require recording the "as-found" and "as-left" setpoints when inspecting overpressure safety devices. In the decision, PHMSA explained the importance of recording these values, noting among other things that "operators must be able to detect if the set point for an overpressure safety device is drifting because if that was occurring, the device would not be functioning properly." It is important to recognize the statement in *Explorer* about drifting was not essential to the finding of inadequate procedures in that case. While drifting of a setpoint could be an indication that a mechanical relief valve is defective, the question of whether a small degree of drift might be within the acceptable tolerance of a particular device was neither raised nor adjudicated in *Explorer*. Therefore, *Explorer* is not authoritative on this question for purposes of the present case.

consequence area in order to determine which segments of the operator's transmission pipeline system are covered by subpart O. Specifically, the Notice alleged that PEPL failed to identify a child development center adjacent to the Jefferson City pipeline right-of-way, and within its potential impact radius (PIR), as an "identified site" in accordance with section 192.905(b)(1).

In its Response, PEPL did not contest Item 2. PEPL submitted records to demonstrate the center is now identified as a high consequence area in its integrity management program, as of April 29, 2022.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 192.905(a) by failing to identify a high consequence area in order to determine which segments of the operator's transmission pipeline system are covered by subpart O.

Item 3: The Notice alleged that Respondent violated 49 CFR § 192.907(a), which states:

> **§ 192.907 What must an operator do to implement this subpart?**
> (a) *General.* No later than December 17, 2004, an operator of a covered pipeline segment must develop and follow a written integrity management program that contains all the elements described in § 192.911 and that addresses the risks on each covered transmission pipeline segment. The initial integrity management program must consist, at a minimum, of a framework that describes the process for implementing each program element, how relevant decisions will be made and by whom, a time line for completing the work to implement the program element, and how information gained from experience will be continuously incorporated into the program. The framework will evolve into a more detailed and comprehensive program. An operator must make continual improvements to the program.

The Notice alleged that Respondent violated 49 CFR § 192.907(a) by failing to follow its written integrity management program. Specifically, the Notice alleged that PEPL failed to conduct a preventive and mitigative (P&M) measure study for three pipeline segments in accordance with section 9 of its *Pipeline Integrity Management Plan* (Rev. 12; April 1, 2021).

In its Response, PEPL did not contest Item 3. PEPL submitted reports to demonstrate it had completed preventative and mitigative measures between October 2022 and December 2023.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 192.907(a) by failing to follow its written integrity management program.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1, 2, and 3 in the Notice for violations of 49 CFR §§ 192.605(a), 192.905(a), and 192.907(a), respectively. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601.

As discussed above, **Item 1** has been withdrawn. Therefore, the compliance terms proposed in the Notice for that Item are not included in this Order.

With regard to the violation of section 192.905(a) (**Item 2**), the Director has indicated that PEPL satisfied the proposed compliance terms associated with Item 2.

With regard to the violation of section 192.907(a) (**Item 3**), the Director has indicated that PEPL satisfied the proposed compliance terms associated with Item 3.

Accordingly, I find that compliance has been achieved with respect to these violations. Therefore, the compliance terms proposed in the Notice for Items 2 and 3 are not included in this Order.

The terms and conditions of this Final Order are effective upon service in accordance with 49 CFR § 190.5.

Linda Daugherty Acting Associate Administrator for Pipeline Safety	Date Issued