



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.letthcoe@dot.gov

Re: PEPL's Response to Notice of Probable Violation CPF 4-2023-052-NOPV

Dear Mr. Lethcoe,

This letter constitutes the response of Panhandle Eastern Pipeline Company (PEPL or the Company) to the Notice of Probable Violation (NOPV), CPF 4-2023-052, 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 PEPL and provide the Company with an adequate opportunity to substantiate its claim, prepare redactions, and/or object, if warranted.

Listed below and italicized are PHMSA's alleged probable violations and Proposed Compliance Order. Following recitation of the same are the Responses and Corrective Actions taken by the Company.

Alleged Probable Violations

1. ***§ 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.***
 - § 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 failed to promptly repair or replace defective or inadequate equipment in accordance with § 192.731(b) and section of 4.0 of its Standard Operating Procedure, Relief Valves Testing Inspection and Maintenance: M.05 (June 28, 2022). Specifically, a relief valve 5RV-3S, used for secondary overpressure protection

(OPP) at the Olpe Compressor, drifted above the set point four times since 2017, and PEPL failed to promptly repair or replace this defective and inadequate valve.

Valve 5RV-3S is a secondary OPP at Olpe Compressor Station on the 300/400 line, and the set point is 810 psig or 104% of the Maximum Allowable Operating Pressure (MAOP). During the inspection, PHMSA requested records for relief valve testing inspection and maintenance. The records indicated that the relief valve (5RV-3S) drifted above the overpressure protection pressure (OPP) settings three times. Additionally, the valve was tested on May 5, 2022, during the inspection and it drifted to 813 psig and was adjusted to 809 psig.

The May 5, 2022, valve test during the inspection and work orders from 2018, 2020, and 2021 indicate that this valve drifted above the set point four times.

Therefore, PEPL failed to promptly repair or replace defective or inadequate equipment in accordance with § 192.731(b) and section of 4.0 of its Standard Operating Procedure, Relief Valves Testing Inspection and Maintenance: M.05 (June 28, 2022).

2. § 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.*

PEPL failed to identify a high consequence area in accordance with § 192.905(a). Specifically, PEPL failed to identify the Learning Connection Child Development Center (136 Scott Station Rd, Jefferson City, MO 65109) adjacent to the Jefferson City pipeline (45-04-001-04) right-of-way and within its potential impact radius (PIR) as an "identified site" in accordance with § 192.905(b)(1).

PEPL provided a map that indicated the Learning Connection Child Development Center was within the PIR of the Jefferson City pipeline. PHMSA also interviewed the owner of the Development Center and received an email with the following information:

- The Development Center building is occupied by 18 employees a day and 65 children every working day*
- The Development Center's working days every week is Monday to Friday*
- The Development Center is open 52 weeks through the entire year*

Based on information provided by PEPL on the PIR, and owner of the Development Center, it was determined that the Development Center could be occupied by more than twenty (20) or more persons on at least five (5) days a week for ten (10) weeks in any twelve (12)-month period requiring designation as an identified site.

Therefore, PEPL failed to identify a high consequence area in accordance with § 192.905(a).

3. **§ 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.

PEPL failed to follow its written integrity management program in accordance with § 192.907(a). Specifically, PEPL failed to adequately 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; Apr. 1, 2021).

Section 9 of PEPL's integrity management program states that, within three years of receipt of assessment data on a pipeline segment, the operator will conduct a preventive and mitigative measures study of the assessed pipeline segment. Section 9.3 requires PEPL to develop recommended P&M measures and rank each approved P&M measure.

PHMSA reviewed Integrity Segment Summary Reports for the following stations and found that the undated reports did not clearly identify, develop, and rank P&M measures in accordance with section 9.3.

1. Centralia 400 Line Station to Pleasant Hill Station (data acceptance date: 10/8/2015)
2. Colt Meter (7 Gate) to Louisburg 400 Line (data acceptance date: unknown; ILI run performed on 3/23/2017)
3. Louisburg 400 Line Station – Houstonia Station (data acceptance date: 12/29/2020)

Therefore, PEPL failed to follow its written integrity management program in accordance with § 192.907(a).

Proposed Compliance Order

- A. In regard to Item 1 of the Notice pertaining to PEPL's failure to promptly repair or replace defective or inadequate equipment in accordance with § 192.731(b) and its procedures, PEPL must repair or replace all defective or inadequate equipment, including valve SRV-3S, and provide associated records within 90 days of issuance of the Final Order. PEPL must determine the cause of the drift for valve SRV-3S and inform the Director in writing of the determined cause within 90 days of issuance of the Final Order.
- B. In regard to Item 2 of the Notice pertaining to PEPL's failure to identify a high consequence area in accordance with § 192.905(a), PEPL must categorize the Learning Connection Child Development Center as an identified site and add this HCA to all elements of its integrity management program in accordance with Subpart O within 90 days of issuance of the Final Order.
- C. In regard to Item 3 of the Notice pertaining to PEPL's failure to follow its written integrity management program in accordance with § 192.907(a), PEPL must revise the Integrity Segment Summary Reports for the listed segments to clearly identify preventative and mitigative actions to implement the process in section 9 of its Pipeline Integrity Management Plan within 90 days of issuance of the Final Order.

Responses and Corrective Actions:

NOPV Item 1 / Proposed Compliance Order Item A: The statements related to this item are inaccurate, as it claims valve 5RV-3S was not replaced or repaired from 2017 to 2022. The purpose of annual inspection and testing of relief devices is to ensure the device is set properly and to adjust or repair the device, if needed. Annual maintenance and checks for setpoint accuracy are intended to ensure that if there is plus or minus drift, that the set point is adjusted, and that the device operates as intended. During the inspection in May of 2022, the device was tested and found to be set at 813 psig, or 4 psig drift over setpoint. It was reset and tested again in August of 2022 and found at 808 psig. It was tested again in December of 2022 and found to be set at 809 psig. Some minor fluctuations are to be expected and are typical for such a mechanical device. These records were reviewed during the inspection and show that the device was adjusted back to setpoint. Additionally, Valve 5RV-3S was replaced on October 21, 2019, as a proactive measure due to difficulty in obtaining spare parts when they are needed.

Furthermore, this probable violation states the Company violated § 192.731(b), and its Standard Operating Procedure (SOP), M.05 - Relief Valves Testing Inspection and Maintenance. This statement is inaccurate, as SOP M.05 Section 4.0 states, "As required: Repair or replace relief valves promptly, prior to the next inspection cycle." This is further clarified in the caution statement in the SOP which states, "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." In this case, the relief valve was adjusted as needed each time it was inspected and tested as documented in the "as-left" condition.

The Company does adhere to the requirements of § 192.731(b) and its Standard Operating Procedure, M.05 - Relief Valves Testing Inspection and Maintenance, as demonstrated by the timely performance and adjustment of the device during required inspections.

As a result of the information provided above, the Company requests that NOPV Item 1 and Proposed Compliance Order Item A be withdrawn.

See Exhibit 1: Olpe Valve 5RV-3S_Completion Report

See Exhibit 2: Olpe Valve 5RV-3S PO S-20190633

See Exhibit 3: Olpe Valve 5RV-3S Photos

NOPV Item 2 / Proposed Compliance Order Item B: The Learning Connection Child Development Center addition as an identified site/HCA has been completed (4/29/22) and now meets all requirements of the integrity management program.

See Exhibit 4: Jefferson City Daycare Center HCA Change ID251682

See Exhibit 5: Jefferson City Daycare Determination Data

See Exhibit 6: Jefferson City HCA Determination Sheet

NOPV Item 3 / Proposed Compliance Order Item C:

The Integrity Segment Summary (ISS) reports for the listed segments were updated and finalized on January 30, 2023, to reflect the Preventative and Mitigative (P&M) Measures that were recommended following the P&M Measures meeting that occurred on October 25, 2022. The results of the final P&M Measures are shown in Section 11 of the ISS Reports. The following actions and P&M measures were completed between October 2022 and December 2023.

- 1) Louisburg 400 Line Station – Houstonia Station:
 - a) Replace pipe through HCA on Louisburg 400 – Completed October 2022 – WBS C-22058-GL-31000096
 - b) Perform CIS and DCVG Survey on newly replaced pipe in search of coating holidays – Completed in December 2022 – No indications recommended for excavation via the Corrosion SMEs
 - c) Field Inspection of Line Markers to verify they are within Line-Of-Site – Completed December 2023 - SAP PM WO 20001492228
- 2) Olpe 400 7G – Louisburg Station:
 - a) Field Inspection of Line Markers to verify they are within Line-Of-Site - Completed December 2023 - SAP PM WO 20001492227
 - b) Schedule Class 1 HCA leak surveys in conjunction with bi-annual Class 3 leak surveys - Completed December 2023 - SAP PM WO 20001492227
- 3) Centralia 400 Station – Pleasant Hill Station:
 - a) Field Inspection of Line Markers to verify they are within Line-Of-Site - Completed November 2023 – SAP PM WO 20001464251
 - b) Schedule Class 1 HCA leak surveys in conjunction with bi-annual Class 3 leak surveys - Completed November 2023 - SAP PM WO 20001464251
 - c) State Highway 154 verify with State Highway Department of intentions of dredging ditches - Completed November 2023

See Exhibit 7: Centralia 400 Sta - PHill Sta ISS 2022-3-23

See Exhibit 8: Louisburg 400 Sta - HST ISS Report 2022-3-23

See Exhibit 9: Olpe 400 7 - Sta ISS Report 2019-3-16

With the actions taken and supporting documentation provided herein, PEPL believes it has provided support for withdrawing NOPV Item 1 and PCO Item A and otherwise fulfilled the requirements of this NOPV and PCO. 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. Olpe Valve 5RV-3S_Completion Report
2. Olpe Valve 5RV-3S PO S-20190633
3. Olpe Valve 5RV-3S Photos
4. Jefferson City Daycare Center HCA Change ID251682
5. Jefferson City Daycare Determination Data
6. Jefferson City HCA Determination Sheet
7. Centralia 400 Sta - PHill Sta ISS 2022-3-23
8. Louisburg 400 Sta - HST ISS Report 2022-3-23
9. Olpe 400 7 - Sta ISS Report 2019-3-16

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