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

1200 New Jersey Avenue,
SE Washington, D.C. 20590

April 7, 2026

VIA ELECTRONIC MAIL TO: GBacon@eprod.com

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

Re: CPF No. 4-2024-002-NOPV

Dear Mr. Bacon:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and assesses a civil penalty of $135,500. The penalty payment terms are set forth in the Final Order. This enforcement action closes automatically upon receipt of payment. 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 GAIL DAUGHERTY

Digitally signed by LINDA GAIL DAUGHERTY
Date: 2026.04.07 14:54:42 -04'00'

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosure

cc: Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety, PHMSA
Jeff Morton, Senior Director, Transportation Compliance, Enterprise Products Operating LLC, JCMorton@eprod.com

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	)	
	)	
Enterprise Products Operating, LLC,	)	**CPF No. 4-2024-002-NOPV**
	)	
Respondent.	)	

FINAL ORDER

From February 27 through August 15, 2023, pursuant to 49 U.S.C. § 60117, representatives 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 the Enterprise Products Operating, LLC (Enterprise or Respondent) TEPPCO South systems in Texas, Arkansas, and Louisiana.

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated May 14, 2024, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 CFR § 190.207, the Notice proposed finding that Enterprise had committed two violations of 49 CFR Part 195 and proposed assessing a civil penalty of $135,500 for the alleged violations. The Notice also included an additional two warning items pursuant to 49 CFR § 190.205, which warned Respondent to correct the probable violations or face possible future enforcement action.

After requesting and receiving an extension of time to respond, Enterprise responded to the Notice by letter dated August 12, 2024 (Response). Enterprise contested several of the allegations, offered additional information in response to the Notice, and requested that the proposed civil penalty be reduced. Enterprise 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 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 CFR § 195.428(a), which states:

§ 195.428 Overpressure safety devices and overfill protection systems.

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7 1⁄2 months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

The Notice alleged that Respondent violated 49 CFR § 195.428(a) by failing to inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment at the required intervals. Specifically, the Notice alleged that Enterprise exceeded the 7 1/2-month interval for 10 overpressure protection devices.

In its Response, Enterprise did not contest the alleged violation. Enterprise provided records to show it is improving the use of two computerized maintenance management system queries for tracking automated work order generation and equipment compliance status.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 195.428(a) by failing to inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment at the required intervals.

Item 2: The Notice alleged that Respondent violated 49 CFR § 195.420(b), which states:

§ 195.420 Valve maintenance.

(a) . . . .

(b) Each operator must, at least twice each calendar year, but at intervals not exceeding 7 1/2 months, inspect each mainline valve to determine that it is functioning properly. Each rupture-mitigation valve (RMV), as defined in § 195.2 and not contained in a gathering line, or alternative equivalent technology that is installed under § 195.258(c) or § 195.418, must also be partially operated. Operators are not required to close the valve fully during the inspection; a minimum 25 percent valve closure is sufficient to demonstrate compliance, unless the operator has operational information that requires an additional closure percentage for maintaining reliability.

The Notice alleged that Respondent violated 49 CFR § 195.420(b) by failing to inspect each mainline valve at least twice each calendar year, at intervals not exceeding 7 1/2 months, to determine that it is functioning properly. Specifically, the Notice alleged that Enterprise failed to inspect 21 mainline valves at intervals not exceeding 7 1/2 months.

In its Response, Enterprise contested the alleged violation as to 8 of the valves.[1] Enterprise stated that the valves were each inspected at the proper interval and the inspections complied with the regulation. Enterprise acknowledged "the valves were not operated during the inspections out of concern for potential product cross-contamination" but argued section 195.420(b) did not require the valves to be operated during the inspections because they are not RMVs.[2] Enterprise noted further that it complied with its own written procedures, which directed Enterprise to "[o]perate the valve[s] fully or partially if it is acceptable to do so without interfering with operations."[3]

With regard to the remaining 13 valves, Enterprise did not contest the alleged violation and explained that it is implementing corrective actions to prevent future missed inspections and to ensure inspection intervals do not exceed 7 1/2 months.

Analysis

Section 195.420(b) requires each mainline valve to be inspected twice per year at intervals not exceeding 7 1/2 months to determine the valve is functioning properly. In 2022, PHMSA amended 49 CFR Part 195, including section 195.420(b), to add specific requirements for RMVs.[4] In its Response, Enterprise indicated the mainline valves at issue in this matter are not RMVs. Therefore, for purposes of determining Respondent's compliance, PHMSA considers only the first sentence in section 195.420(b), which applies to all mainline valves and requires semi-annual inspections "to determine [each mainline valve] is functioning properly."

The inspection requirement in section 195.420(b) is virtually unchanged since the first hazardous liquid pipeline safety regulations were adopted.[5] In the half-century since its adoption, PHMSA has had opportunities to interpret the regulation and explain how operators must "determine that [each mainline valve] is functioning properly." For example, in one final order, PHMSA concluded an operator had violated section 195.420(b) when the operator performed only visual inspections of mainline valves and failed to operate them to determine the valves functioned properly.[6] In another final order, PHMSA found that a violation of section 195.420(b) occurred when an operator's valve inspection records "did not show that the valve had been properly operated."[7] In a third adjudication, PHMSA determined the operator committed a violation of

[1] The contested valves were: MREP2VA189.1; MREP62VA250A; MREP74VA31; MREP74VA31B; MREP74VA45; MREP74VA46; MREP107MOV0002; and P82 Propane VA 095.

[2] Response at 3.

[3] Response at 3 (quoting procedures section 5.6.3).

[4] Pipeline Safety: Requirement of Valve Installation and Minimum Rupture Detection Standards, 87 Fed. Reg. 20,940 (Apr. 8, 2022).

[5] Requirements for Design, Construction, Operation, and Maintenance, 34 Fed. Reg. 15,473 (Oct. 4, 1969) (codified at 49 CFR § 195.420(b): "Each carrier shall, at intervals not exceeding 6 months, inspect each main line valve to determine that it is functioning properly.")

[6] Plains Marketing, L.P., Final Order, CPF No. 4-2010-5014, 2011 WL 7416428, at *1 (Dec. 19, 2011). Enforcement actions are available at primis.phmsa.dot.gov/enforcement-data/actions/orders.

[7] Plains Pipeline, LP, Final Order, CPF No. 4-2016-5015, 2018 WL 2229413, at *3 (Mar. 7, 2018).

section 195.420(b) when the operator was unable to produce records demonstrating mainline valves were operated twice within a calendar year.[8] PHMSA has also issued guidance to operators on section 195.420(b) noting "operator[s] must inspect and partially operate all mainline valves within the required time intervals."[9]

The enforcement history and guidance for section 195.420(b) demonstrate PHMSA has long interpreted the inspection requirement mandates partial operation of each mainline valve in order to determine if the valve is functioning properly. That interpretation is a reasonable one, since a visual inspection alone does not provide information about whether a valve is functioning properly. An operator's determination if a valve is properly functioning is critical to complying with section 195.420(b).[10] The plain text of the regulation and PHMSA's historical application render unavailing Respondent's argument that the mainline valves were not required to be partially operated during their semi-annual inspections.

Respondent also argued that one of the valves, in addition to not being an RMV, was not partially operated because it is on an "idled" system.

The term "idled" is not defined in the pipeline safety regulations, but PHMSA recognizes the term is sometimes used to refer to a pipeline "not currently in operation but that may be used in the future."[11] But there is nothing in 49 CFR Part 195 that exempts idled pipelines from section 195.420(b).[12] Therefore, this argument by Respondent is also unavailing.

After considering all of the evidence, I find that Respondent violated 49 CFR § 195.420(b) by failing to inspect each of the 21 mainline valves identified in the Notice at least twice each calendar year, at intervals not exceeding 7 1/2 months, to determine that it is functioning properly.

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

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[8] Menzies Aviation, Final Order, CPF No. 5-2023-012-NOPV, 2023 WL 3884050, at *3 (Apr. 26, 2023).

[9] PHMSA Operations and Maintenance Enforcement Guidance: Part 195 Subpart F, at 63 (Jul. 21, 2017) available at www.phmsa.dot.gov/sites/phmsa.dot.gov/files/docs/regulatory-compliance/pipeline/enforcement/5781/o-m-enforcement-guidance-part-195-7-21-2017.pdf (last visited Mar. 11, 2026).

[10] Respondent did not suggest that it used any other way to determine each valve is functioning properly.

[11] Pipeline Safety: Clarification of Terms Relating to Pipeline Operational Status, 81 Fed. Reg. 54,512, 54,513 (Aug. 16, 2016).

[12] *See Id.* at 54,513-14 (explaining that idled pipelines are considered active and must comply with all relevant safety requirements, but where an operator coordinates in advance with PHMSA, PHMSA may accept deferral of certain activities that are impracticable to perform on pipelines that are purged of combustibles).

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty exceeding $200,000 per violation for each day of the violation, with a maximum administrative civil penalty exceeding $2,000,000 for any related series of violations.[13]

In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 CFR § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; any effect that the penalty may have on its ability to continue doing business; the good faith of Respondent in attempting to comply with the pipeline safety regulations; and self-disclosure or actions to correct a violation prior to discovery by PHMSA. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require.

The Notice proposed a total civil penalty of $135,500 for the violations cited above. Effective May 20, 2025, PHMSA revised its proposed civil penalty calculation policy to use the version of the Civil Penalty Worksheet in effect when the alleged violation occurred. The new policy did not change the proposed civil penalty in this case.

Item 1: The Notice proposed a civil penalty of $89,000 for Respondent's violation of 49 CFR § 195.428(a) for failing to inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment.

In its Response, Enterprise did not contest the allegation but requested that the proposed penalty be reduced considering its history of prior offenses. Enterprise argued the penalty should be reduced because prior violations of section 195.428(a) referenced in the Notice occurred nearly a decade ago during 2014 and 2015.

When assessing a civil penalty, PHMSA "shall consider" with respect to the respondent "any history of prior violations."[14] When applying this statutory assessment factor, PHMSA considers violations of the pipeline safety regulations established in a final order that was issued within five years of the current notice of probable violation.[15] In the present case, the five-year window prior to the issuance of the Notice on May 14, 2024 includes one prior final order issued to Respondent on April 6, 2020. That final order found violations of section 195.428(a).[16] Because the prior violations fall within the period of time PHMSA uses when considering the assessment factor, the civil penalty amount appropriately reflects Respondent's prior violations. Accordingly, the penalty is not reduced.

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[13] These amounts are adjusted annually for inflation. *See* 49 CFR § 190.223 for adjusted amounts.

[14] 49 U.S.C. § 60122(b)(1)(B).

[15] *See* Civil Penalty Summary at 3 (Feb. 27, 2026) available at: www.phmsa.dot.gov/regulatory-compliance/pipeline/enforcement/civil-penalty-summary (last visited Mar. 11, 2026) ("Prior findings of violation include a civil penalty or compliance order in the five years that precede the date of the Notice.").

[16] Enterprise Products Operating, LLC, CPF No. 1-2018-5003, 2020 WL 7079885, Item 13 (Apr. 6, 2020).

Having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of $89,000 for violation of 49 CFR § 195.428(a).

Item 2: The Notice proposed a civil penalty of $46,500 for Respondent's violation of 49 CFR § 195.420(b) for failing to inspect each mainline valve to determine that it is functioning properly. Enterprise requested a reduction in the penalty corresponding to the eight valves it argued should be excluded. As determined above, however, Enterprise failed to meet the requirements of section 195.420(b) for all 21 of the valves alleged. Therefore, no reduction in the penalty is warranted. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of $46,500 for violation of 49 CFR § 195.420(b).

In summary, having reviewed the record and considered the assessment criteria for each of the Items cited above, I assess Respondent a total civil penalty of **$135,500**.

Payment of the civil penalty must be made within 20 days after receipt of this Final Order. Federal regulations (49 CFR § 89.21(b)(3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMK-325), Federal Aviation Administration, Mike Monroney Aeronautical Center, 6500 S MacArthur Blvd, Oklahoma City, Oklahoma 79169. The Financial Operations Division telephone number is (405) 954-8845.

Failure to pay the civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 CFR § 901.9 and 49 CFR § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

WARNING ITEMS

With respect to Items 3 and 4, the Notice alleged a probable violation of Part 195 but identified each as a warning item pursuant to section 190.205. The warnings were for:

> 49 CFR § 195.202 **(Item 3)** ─ Respondent's alleged failure to construct each pipeline system in accordance with its written procedures regarding the minimum acceptable length of each bolt.
>
> 49 CFR § 195.589(c) **(Item 4)** ─ Respondent's alleged failure to maintain a record of an inspection of removed pipe for internal corrosion to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist.

In its Response, Enterprise contested the warning items and requested they be withdrawn. Specifically, Enterprise explained that with respect to Item 3, the scope of the standard at issue was not retroactively applicable to joints completed before the standard was issued. With respect to Item 4, Enterprise contended a maintenance report indicated an internal inspection was performed.

Pursuant to section 190.205, a respondent may respond to a warning, but is not required to, and PHMSA does not conduct an adjudication of warnings to determine if a violation occurred. However, as a matter of enforcement discretion, and in consideration of the recommendation for final action submitted by the Director pursuant to section 190.209(b)(7), Item 3 is rescinded.

Under 49 CFR § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. The written petition must be received no later than 20 days after receipt of the Final Order by Respondent. Any petition submitted must contain a brief statement of the issue(s) and meet all other requirements of 49 CFR § 190.243. The filing of a petition automatically stays the payment of any civil penalty assessed. The other terms of the order, including any corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay. If Respondent submits payment of the civil penalty, the Final Order becomes the final administrative decision and the right to petition for reconsideration is waived. The terms and conditions of this Final Order are effective upon service in accordance with 49 CFR § 190.5.

LINDA GAIL DAUGHERTY

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Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

April 7, 2026
Date Issued