

NOTICE OF AMENDMENT

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

May 8, 2025

Mr. Thomas Long
Chief Executive Officer
Energy Transfer, LP
8111 Westchester Drive
Dallas, Texas 75225

CPF 4-2025-003-NOA

Dear Mr. Long:

From August 6, 2024, to December 12, 2024, 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 Inland Corporation's¹ (Inland) Integrity Management Program procedures.

As a result of the inspection, PHMSA has identified the apparent inadequacy found within Inland's procedures. The item inspected and the inadequacy is described below:

1. **§ 195.452 Pipeline integrity management in high consequence areas.**
 - (a)
 - (b) *What program and practices must operators use to manage pipeline integrity?* Each operator of a pipeline covered by this section must:
 - (1) Develop a written integrity management program that addresses the risks on each segment of pipeline in the first column of the following table no later than the date in the second column:
 - (h) *What actions must an operator take to address integrity issues?*

¹ Energy Transfer, LP, has a controlling financial interest in Inland Corporation.

(1) *General requirements.* An operator must take prompt action to address all anomalous conditions in the pipeline that the operator discovers through the integrity assessment or information analysis. In addressing all conditions, an operator must evaluate all anomalous conditions and remediate those that could reduce a pipeline's integrity, as required by this part. An operator must be able to demonstrate that the remediation of the condition will ensure that the condition is unlikely to pose a threat to the long-term integrity of the pipeline. An operator must comply with all other applicable requirements in this part in remediating a condition. Each operator must, in repairing its pipeline systems, ensure that the repairs are made in a safe and timely manner and are made so as to prevent damage to persons, property, or the environment. The calculation method(s) used for anomaly evaluation must be applicable for the range of relevant threats.

(i)

(ii) *Long-term pressure reduction.* When a pressure reduction exceeds 365 days, the operator must notify PHMSA in accordance with paragraph (m) of this section and explain the reasons for the delay. An operator must also take further remedial action to ensure the safety of the pipeline.

Inland's written integrity management program was inadequate to provide for safe operation of a pipeline facility in accordance with § 195.452(h)(1)(ii). Specifically, Inland's Pipeline Integrity Management Plan (IMP)², *ETC Hazardous Liquids IMP* (Rev. 10, Sept. 20, 2024), Section 7.3: *Discovery of a Condition*, failed to describe how it would determine further remedial actions to ensure the safety of the pipeline when a pressure reduction exceeds 365 days in accordance with § 195.452(h)(1)(ii).

Section 7.3 re-states the regulatory requirement in § 195.452(h)(1)(ii) to take further remedial actions to ensure pipeline safety when a pressure reduction exceeds 365 days, but does not describe how further remedial actions are determined to ensure the safety of the pipeline.

Therefore, Inland must revise its integrity management program to describe how further remedial action is determined to ensure the safety of the pipeline when a pressure reduction exceeds 365 days in accordance with § 195.452(h)(1)(ii).

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 Enforcement Proceedings.

² Inland Corporation and Energy Transfer, LP share an Integrity Management Plan.

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 30 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 Inland Corporation 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 4-2025-003-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

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