



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

1200 New Jersey Avenue, SE
Washington, DC 20590

March 26, 2026

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

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

Re: CPF No. 4-2025-049-NOPV

Dear Mr. Long:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and finds that Energy Transfer 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 GAIL
DAUGHERTY**

Digitally signed by LINDA
GAIL DAUGHERTY
Date: 2026.03.26
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Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosure

cc: Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety, PHMSA
Todd Nardozzi, Director – DOT Compliance, Energy Transfer
Todd Stamm, Senior Vice President, Operations, Energy Transfer
Matthew Stork, Vice President, Technical Services, Energy Transfer
Susie Sjulín, Director – DOT Compliance, Energy Transfer

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	)	
	)	
	)	
Energy Transfer Company,	)	
a subsidiary of Energy Transfer, LP,	)	CPF No. 4-2025-049-NOPV
	)	
Respondent.	)	
	)	

FINAL ORDER

From March 4 to September 26, 2024, 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 Energy Transfer Company's (ETC or Respondent) Sunoco Lea to Midland interstate hazardous liquid pipeline located in New Mexico and Texas.

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated July 10, 2025, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 CFR § 190.207, the Notice proposed finding that ETC had violated 49 CFR § 195.452(f)(3) and proposed ordering Respondent to take certain measures to correct the alleged violation.

ETC responded to the Notice by letter dated September 8, 2025 (Response).¹ Respondent provided an explanation regarding the allegations in the Notice and offered additional information in response to the Notice. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

The Notice alleged that Respondent violated 49 CFR Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 CFR § 195.452(f)(3), which states:

¹ ETC requested an extension to respond to the Notice via email on July 10, 2025. This request was granted by the Director via letter dated July 17, 2025, extending ETC's time to respond to September 8, 2025.

§ 195.452 Pipeline integrity management in high consequence areas.

(a) ...

(f) *What are the elements of an integrity management program?* An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

(1) ...

(3) An analysis that integrates all available information about the integrity of the entire pipeline and the consequences of a failure (see paragraph (g) of this section);

The Notice alleged that Respondent violated 49 CFR § 195.452(f)(3) by failing to include in its written integrity management program an analysis of its Sunoco Lea to Midland pipeline system that integrates all available information about the integrity of the entire pipeline and the consequences of failure. Specifically, the Notice alleged that ETC failed to incorporate coupon and inhibitor data on its Sunoco Lea to Midland pipeline system into its risk model.

In its Response, ETC averred that the risk model reviewed by PHMSA in March 2024 “did consider both coupon data and inhibitor program for the Internal Corrosion (IC) Threat.”² However, ETC noted that because of “data issues both coupon and inhibitor factors used default values” in the risk model for the Sunoco Lea to Midland pipeline segments.³ ETC stated that “[o]ther factors such as ILI feature count, number of leaks, product type, and assessment dates were used for the IC threat.”⁴

ETC further asserted that it transitioned to a new semi-quantitative risk analysis model in 2024 that “does consider if the pipeline has an inhibitor program in the internal corrosion risk score.”⁵ Citing that transition, ETC contends that the “data issues with inhibitor data for these pipeline segments have been resolved” as well as the inclusion of the coupon data.⁶ ETC included with its Response Attachment A, updated risk analysis results, and Attachment B, updated risk model internal corrosion algorithm procedures, to corroborate its statements in its Response.⁷

ETC does not state in its Response when the transition to the new risk model occurred other than to indicate it occurred sometime in 2024. In addition, ETC created and revised Attachments A

² Response at Page 1.

³ Id.

⁴ Id.

⁵ Response at Page 2.

⁶ Id.

⁷ Id.

and B in 2025, a year after the PHMSA inspection took place. ETC also conceded in its Response that the risk model reviewed by PHMSA during the inspection did not factor the pipeline's coupon and inhibitor data in the risk model. Rather, the risk model used default values for those data points and relied on other factors to determine the internal corrosion threat to the Sunoco Lea to Midland pipeline system.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 195.452(f)(3) by failing to include in its written integrity management program an analysis of its Sunoco Lea to Midland pipeline system that integrates all available information about the integrity of the entire pipeline including coupon and inhibitor data.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for the violation of 49 CFR § 195.452(f)(3). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicates that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of section 195.452(f)(3) (**Item 1**), Respondent has incorporated coupon and inhibitor data from the Sunoco Lea to Midland pipeline system into its risk model and provided the risk model analysis results to Southwest Region.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

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, S.E., East Building, 2nd Floor, Washington, D.C. 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 statement of the issue(s) and meet all other requirements of 49 CFR § 190.243. The terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective upon service in accordance with 49 CFR § 190.5.

LINDA GAIL
DAUGHERTY

Digitally signed by LINDA GAIL
DAUGHERTY
Date: 2026.03.26 01:57:03 -04'00'

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

March 26, 2026

Date Issued