U.S. Department of Transportation

Pipeline and Hazardous Materials Safety Administration

8701 S. Gessner, Suite 630
Houston TX 77074

NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER

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

March 13, 2026

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

CPF 4-2026-019-NOPV

Dear Mr. Long:

From February 26 through August 16, 2024 of the onsite inspection, 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 Permian Express Partners, LLC's[1] (Permian Express) Patoka Pipeline system Illinois, Missouri, Arkansas, and Texas.

As a result of the inspection, it is alleged that Permian Express has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

[1] Permian Express Partners, LLC is a subsidiary of Energy Transfer, LP (Energy Transfer).

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) . . . .

(2) Include in the program an identification of each pipeline or pipeline segment in the first column of the following table not later than the date in the second column:

Pipeline	**Date**
Category 1	**December 31, 2001.**
Category 2	**November 18, 2002.**
Category 3	**Date the pipeline begins operation.**

Permian Express failed to include in its Integrity Management (IM) Program an identification of each pipeline or pipeline segment in accordance with § 195.452(b)(2). Specifically, Permian Express did not identify the Patoka Pump Station and Tank Farm located in Patoka, Illinois as a facility that could affect HCAs.

The Permian Express pipeline segment from Patoka Pump Station and Tank Farm to Corsicana Station has been "in-service deferred" purged of product and under inert pressure since Permian Express acquired the asset in December 31, 2016. The Patoka Pump Station and Tank Farm includes three pump stations and 21 breakout tanks (BOTs) that transport hazardous liquids to other active and filled pipelines owned by several other operators as well as Permian Express's parent company, Energy Transfer DAPL pipeline system. During the inspection, Permian Express stated the facility was not identified as a could affect HCAs because the Permian Express pipeline is "in-service deferred," despite the Patoka Pump Station and Tank Farm itself being used in the transportation of hazardous liquids to other active pipelines.

Therefore, Permian Express failed to include in its Integrity Management (IM) Program an identification of each pipeline or pipeline segment in accordance with § 195.452(b)(2).

2. **§ 195.452 Pipeline integrity management in high consequence areas.**

(a) . . . .

(i) What preventive and mitigative measures must an operator take to protect the high consequence area?

(1) General requirements. An operator must take measures to prevent and mitigate the consequences of a pipeline failure that could affect a high consequence area. These measures include conducting a risk analysis of the pipeline segment to identify additional actions to enhance public safety or environmental protection. Such actions may include, but are not limited to, implementing damage prevention best practices, better monitoring of cathodic protection where corrosion is a concern, establishing shorter inspection intervals, installing EFRDs on the pipeline segment, modifying the systems that monitor pressure and detect leaks, providing additional training to personnel on response procedures, conducting drills with local emergency responders and adopting other management controls.

Permian Express failed to conduct a risk analysis for each pipeline to identify additional actions to enhance public safety or environmental protection in accordance with § 195.452(i)(1) and its written procedures. Specifically, Permian Express failed to conduct a risk analysis for the Patoka Pump Station and Tank Farm in Patoka, Illinois.

Energy Transfer's *Hazardous Liquids Integrity Management Plan (Rev.10, Rev. Date: Sep. 20, 2024)* Section 5 establishes criteria to conduct risk analysis and prioritization of pipelines, including pipelines which could affect HCAs. During the inspection, Permian Express did not produce records indicating that it conducted such an analysis of the Patoka Pump Station and Tank Farm.

Therefore, Permian Express failed to conduct a risk analysis for each pipeline to identify additional actions to enhance public safety or environmental protection in accordance with § 195.452(i)(1) and its written procedures. This is a repeat violation of Item 3 in CPF No. 4-2022-040-NOPV.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed $272,926 per violation per day the violation persists, up to a maximum of $2,729,245 for a related series of violations. For violation occurring on or after December 28, 2023 and before December 30, 2024, the maximum penalty may not exceed $266,015 per violation per day the violation persists, up to a maximum of $2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not exceed $257,664 per violation per day the violation persists, up to a maximum of $2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed $239,142 per violation per day the violation persists, up to a maximum of $2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed $225,134 per violation per day the violation persists, up to a maximum of $2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed $222,504 per violation per day the violation persists, up to a maximum of $2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed $218,647 per violation per day the violation persists, up to a maximum of $2,186,465 for a related series of violations.

We have reviewed the circumstances and supporting documentation involved for the above probable violations and recommend that you be preliminarily assessed a civil penalty of $ 201,000 as follows:

Item number	PENALTY
1	$ 63,300
2	$ 137,700

Proposed Compliance Order

With respect to Item 2 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Permian Express Partners. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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 your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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 a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 4-2026-019-NOPV** 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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

cc: Greg McIlwain, Executive Vice President, Operations, Energy Transfer LP, greg.mcilwain@energytransfer.com
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Todd Nardozzi, Director – DOT Compliance, Energy Transfer LP, todd.nardozzi@energytransfer.com
Susie Sjulin, Director – DOT Compliance, Energy Transfer LP, susie.sjulin@energytransfer.com

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Permian Express Partners, LLC (Permian Express) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Patoka Pipeline System with the pipeline safety regulations:

A. In regard to Item 2 of the Notice pertaining to Permian Express's failure to conduct a risk analysis for each pipeline to identify additional actions to enhance public safety or environmental protection in accordance with § 195.452(i)(1) and its written procedures, Patoka must conduct a risk analysis of the Patoka Pump Station and Tank Farm and provide the results to the Director, Southwest Region within **90** days of receipt of the Final Order.

B. It is requested (not mandated) that Permian Express maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.