Pipeline Group Factual Report

ATTACHMENT 35

PHMSA Corrective Action Order

Carmichael, Mississippi
DCA 08 MP 001

U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

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

NOV 2 2007

VIA CERTIFIED MAIL AND FACSIMILE TO: (713) 381-8056

Terry L. Hurlburt,
Sr. Vice President, Operations
Enterprise Products Partners, LP
1100 Louisiana Street
Houston, Texas 77002

Jeffrey Smith
General Manager
Dixie Pipeline Company
1100 Louisiana Street
Houston, Texas 77002

Re: CPF No. 2-2007-5100 H

Dear Messrs. Hurlburt and Smith:

Enclosed is a Corrective Action Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It requires you to take certain corrective actions with respect to your pipeline system that failed on November 1, 2007. Service of this Corrective Action Order is being made by certified mail and facsimile. Your receipt constitutes service of this document under 49 C.F.R. § 190.5. The terms and conditions of this Corrective Action Order are effective upon receipt.

Sincerely,

[redacted]

for James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosures

cc: Linda Daugherty, Director, Southern Region, PHMSA
Bob Chipkevich, National Transportation Safety Board

DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590

In the Matter of	)	
	)	
Enterprise Products Partners, LP and Dixie Pipeline Company,	)	**CPF No. 2-2007-5100H**
	)	
Respondents	)	

CORRECTIVE ACTION ORDER

Purpose and Background

On November 1, 2007, a failure resulting in the release of propane and ensuing fire occurred on the Respondents' 12-inch pipeline. This failure occurred on the pipeline segment between Erwinville, Louisiana and Opelika, Alabama, approximately 2,900 feet downstream of the Carmichael, Mississippi Pump Station and approximately 18 miles upstream of the Butler Pump Station ("pipeline segment"). To date, two fatalities and four injuries have been reported. The resulting fire has burned 150 acres of forest and pasture and killed both domestic and wild animals. Over 200 people within a one-mile radius of the failure site were evacuated. The cause of the failure has not yet been determined.

The National Transportation Safety Board ("NTSB") has announced that it will serve as the lead federal agency investigating the cause of this incident and will conduct a metallurgical examination of the failed pipe segment. As a cooperating agency in the NTSB's investigation and pursuant to its own authority under 49 U.S.C. § 60117, the Pipeline and Hazardous Materials Safety Administration ("PHMSA") is also investigating.

This Corrective Action Order is being issued, under authority of 49 U.S.C. § 60112, to require Enterprise Products Partners, LP and Dixie Pipeline Company ("Respondents") to take necessary corrective action to protect the public, property, and the environment from potential hazards associated with a operation of its propane pipeline system.

Preliminary Findings

- At approximately 10:54 a.m. CDT on November 1, 2007, Respondents' 12-inch propane pipeline segment in Clark County, Mississippi experienced a failure resulting in the release of propane and subsequent fire approximately 2,900 feet downstream of the Carmichael Pump Station and 18 miles upstream of the Butler Pump Station, near Mile Post 426 (MP).

- The pipeline segment is currently out of service. As of November 2, 2007, the pipeline segment has not been repaired.

- The failed pipe segment was observed to be split in the longitudinal direction for approximately 60 feet at or near the longitudinal pipe seam (located in the top quadrant of the pipe segment), but no causal information is available at this time.

- Respondents operate 1,368 miles of dedicated propane pipeline, pipeline storage, and terminal facilities in Texas, Louisiana, Mississippi, Alabama, Georgia, South Carolina, and North Carolina. The main pipeline is a telescoping pipeline that runs from Mont Belvieu, Texas to near Apex, North Carolina. It starts as a 10-inch line in Mont Belvieu, Texas and increases to a 12-inch line at Erwinville, Louisiana. The line proceeds as 12-inch across southern Mississippi to Opelika, Alabama. From Opelika it is 10-inch to Milner, Georgia, 8-inch to Cheraw, South Carolina and 6-inch to Apex, North Carolina.

- The pipeline segment at the failure location between Carmichael Pump Station (M.P. 425.5) and Butler Pump Station (M.P. 443.5) traverses rural country. The failure location is not in a High Consequence Area ("HCA") and is not in an area designated by Respondents as an area that could affect a HCA, as that term is defined in the pipeline integrity management regulations (49 C.F.R. § 195.452). The nearest road in the area of the incident is County Road 621.

- The line was constructed in 1961 and consists predominantly of seam-welded pipe using low-frequency electric resistance welding ("ERW") and high frequency ERW manufactured by Jones and Laughlin, Stupp, Tex-Tube, American, and Lone Star. The failure occurred in the 12-inch Erwinville to Opelika section, between Carmichael Pump Station (M.P. 425.5) and Butler Pump Station (M.P. 443.5), approximately 2,900 feet downstream of the Carmichael Pump Station in Clarke County, Mississippi. This section of pipeline is predominately 5L-X52, 0.250" wt, low frequency ERW longitudinal seam pipe manufactured by Lone Star.

- The failure resulted in the release of an undetermined amount of liquefied propane and subsequent fire. The local authorities reported two fatalities.

- The cause of the failure has not yet been determined.

Determination of Necessity for Corrective Action Order and Right to Hearing

Section 60112 of Title 49, United States Code, provides for the issuance of a Corrective Action Order, after reasonable notice and the opportunity for a hearing, requiring corrective action, which may include the suspended or restricted use of a pipeline facility, physical inspection, testing, repair, replacement, or other action, as appropriate. The basis for making the determination that a pipeline facility is hazardous, requiring corrective action, is set forth both in the above-referenced statute and 49 C.F.R. § 190.233, a copy of which is enclosed.

Section 60112 of Title 49, and the regulations promulgated thereunder, provide for the issuance of a Corrective Action Order without prior opportunity for notice and hearing upon a finding that failure to issue the Order expeditiously will likely result in serious harm to life, property, or the environment. In such cases, an opportunity for a hearing will be provided as soon as practicable after the issuance of the Order.

After evaluating the foregoing preliminary findings of fact, I find that the continued operation of Respondents' pipeline segment, without corrective measures, would be hazardous to life, property, and the environment. Additionally, after considering the type of pipe involved, the proximity of the pipeline system to waterways, public roadways, and people, the hazardous nature of the product transported, and the ongoing investigation to determine the cause of the failure and the extent of damage to Respondents' pipeline system from the pipeline segment failure and fire, I find that a failure to expeditiously issue this Order requiring immediate corrective action would likely result in serious harm to life, property, or the environment.

Accordingly, this Corrective Action Order mandating immediate corrective action is issued without prior notice and opportunity for a hearing. The terms and conditions of this Order are effective upon receipt.

Within 10 days of receipt of this Order, Respondent may request a hearing, to be held as soon as practicable, by notifying the Associate Administrator for Pipeline Safety in writing, delivered personally, by mail, or by facsimile, and by delivering a courtesy copy to the Director, Southern Region, PHMSA. If a hearing is requested, it will be held telephonically or in-person in Atlanta, Georgia, or Washington, D.C., on a date that is mutually convenient to PHMSA and Respondents.

After receiving and analyzing additional data in the course of this investigation, PHMSA may identify other corrective measures that need to be taken. In that event, Respondents will be notified of any additional measures required and amendment of this Order will be considered. To the extent consistent with safety, Respondents will be afforded notice and an opportunity for a hearing prior to the imposition of any additional corrective measures.

Required Corrective Action

Pursuant to 49 U.S.C. § 60112, I hereby order Dixie Pipeline Company and Enterprise Products Partners, LP to immediately take the following corrective actions with respect to the pipeline segment:

1. Do not operate the pipeline segment until authorized to do so by the Director, Southern Region.

2. Develop a return-to-service plan for PHMSA approval. The return-to-service plan must address incremental pressure increases and patrolling of the pipeline segment following each pressure increment. The return-to-service plan should specify a day-light restart and detail advance communications with local emergency response officials.

3. Maintain a twenty percent (20%) pressure reduction in the operating pressure along the 12-inch pipeline segment between Erwinville, Louisiana and Opelika, Alabama. The operating pressure is not to exceed eighty percent (80%) of the operating pressure in effect immediately prior to the failure. Specifically, the pressure at the failure site is not to exceed 1,134 psig.

4. Commission a third party consultant to examine the Tuboscope Linalog Plus Survey Report, the GE PII Ultra Scan (CD Crack Pig) results and the Magpie MFL and EGP results and tabulate the results. The consultant(s) should provide a copy of any draft o final analysis to the Director, Southern Region at the same time or before it provides this information to the Respondents. Provide an analysis of the results reported by the vendor.

5. Submit a written plan, with a schedule, to verify the integrity of the pipeline segment. The plan must provide integrity testing that addresses all factors known or suspected in the failure, which may include, but not be limited to:

    a. Internal inspection tool surveys and remedial action. The type of internal inspection tools used shall be technologically appropriate for assessing the system based on the type of failure that occurred on November 1, 2007, with emphasis on identifying and evaluating the following: 1) anomalies associated with dents, gouges, and grooves; 2) metal loss due to corrosion; 3) the orientation of the longitudinal seam of the pipe; 4) pipe deformation; and 5) longitudinal cracks, mill defects and stress corrosion cracking.

    b. A detailed description of the inspection and repair criteria to be used in the field evaluation of the anomalies that are excavated. This is to include a description of how any defects are to be graded and the schedule for repairs or replacement.

c. An evaluation of the line for areas of damaged or disbonded coating, including but not limited to, a close-interval, current interrupted, and pipe-to-soil potential survey.

6. Each element of the return-to-service plan and the written integrity verification plan must be approved by the Director, Southern Region, who may provide approvals incrementally. Implement the plan as approved.

7. Respondents may request approval from the Director, Southern Region to increase its operating pressure above the interim maximum operating pressure under Item 1, based on a showing that the hazard has been abated or that a higher pressure is justified based on an analysis showing that the pressure increase is safe considering all known defects, anomalies and operating parameters of the pipeline segment. The Region Director's determination will be based on the failure cause and provision of evidence that mitigative actions taken by the operator provide for the safe operation of the pipeline segment. Appeals to determinations of the Regional Director in this regard will be subject to the decision of the Associate Administrator for Pipeline Safety.

8. The Integrity Verification Plan shall be submitted to the Director, Southern Region, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration, 233 Peachtree Street, Ste. 600, Atlanta, Georgia 30303, within 60 days of receipt of this Order. The plan shall be revised as necessary to incorporate new information obtained during the failure investigation, actions required by Items 4 and 5, and remedial activities undertaken pursuant to this Order. Submit any such plan revisions to the Director for prior approval. The Director may approve plan elements incrementally.

9. Implement the Remediation Plan as it is approved by the Director, including any revisions to the plan.

10. Submit monthly reports to the Director that: (1) include available data and results of the testing and evaluations required by this Order; and (2) describe the progress of the repairs and other remedial actions being undertaken.

11. Maintain documentation of the costs associated with implementation of this Corrective Action Order. Include in each monthly report submitted pursuant to Item 10, the to-date total costs associated with: (1) preparation and revision of procedures, studies and analyses; (2) physical changes to pipeline infrastructure, including repairs, replacements and other modifications; and (3) environmental remediation, if applicable.

The Director may grant an extension of time for compliance with any of the terms of this Order upon a written request timely submitted demonstrating good cause for an extension.

With respect to each submission that under this Order requires the approval of the Director, the Director may: (a) approve, in whole or part, the submission; (b) approve the submission on specified conditions; (c) modify the submission to cure the deficiencies; (d) disapprove in whole

or in part, the submission, directing that Respondents modify the submission; or (e) any combination of the above. In the event of approval, approval upon conditions, or modification by the Director, Respondents shall proceed to take all action required by the submission as approved or modified by the Director. In the event that the Director disapproves all or any portion of the submission, Respondent shall correct all deficiencies within the time specified by the Director, and resubmit it for approval. In the event that a resubmitted item is disapproved in whole or in part, the Director may again require Respondents to correct the deficiencies in accordance with the foregoing procedure, and/or the Director may otherwise proceed to enforce the terms of this Order.

Respondents may appeal any decision of the Director to the Associate Administrator for Pipeline Safety. Decisions of the Associate Administrator shall be final.

The actions required by this Corrective Action Order are in addition to and do not waive any requirements that apply to Respondents' pipeline system under 49 C.F.R. Part 195, under any other order issued to Respondents under authority of 49 U.S.C. § 60101 *et seq.*, or under any other provision of Federal or state law.

Failure to comply with this Order may result in the assessment of administrative civil penalties of up to $100,000 per violation per day pursuant to 49 U.S.C. § 60122, and in referral to the Attorney General for imposition of civil judicial penalties or other appropriate relief in United States District Court pursuant to 49 U.S.C. § 60120.

The terms and conditions of this Corrective Action Order are effective upon receipt.

[redacted]

for

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

NOV 2 2007

Date Issued

(2) Subsequently damages a pipeline facility and knows or has reason to know of the damage but fails to promptly report the damage to the operator and to the appropriate authorities; or

(3) Subsequently damages a hazardous liquid pipeline facility that results in the release of more than 50 barrels of product; shall, upon conviction, be subject for each offense to a fine of not more than $5,000, imprisonment for a term not to exceed 5 years, or both.

(f) No person shall be subject to criminal penalties under paragraph (a) of this section for violation of any regulation and the violation of any order issued under § 190.217, § 190.219 or § 190.229 if both violations are based on the same act.

[45 FR 20413, Mar. 27, 1980, as amended by Amdt. 190–2, 54 FR 32344, Aug. 7, 1989; Amdt. 190–4, 56 FR 63770, Dec. 5, 1991; Amdt. 190–6, 61 FR 18515, Apr. 26, 1996; 70 FR 11138, Mar. 8, 2005]

§ 190.231 Referral for prosecution.

If an employee of the Pipeline and Hazardous Materials Safety Administration becomes aware of any actual or possible activity subject to criminal penalties under § 190.229, the employee reports it to the Office of the Chief Counsel, Pipeline and Hazardous Materials Safety Administration, U.S. Department of Transportation, Washington, DC 20590. The Chief Counsel refers the report to OPS for investigation. Upon completion of the investigation and if appropriate, the Chief Counsel refers the report to the Department of Justice for criminal prosecution of the offender.

[Amdt. 190–6, 61 FR 18515, Apr. 26, 1996, as amended at 70 FR 11137, Mar. 8, 2005]

SPECIFIC RELIEF

§ 190.233 Corrective action orders.

(a) Except as provided by paragraph (b) of this section, if the Associate Administrator, OPS finds, after reasonable notice and opportunity for hearing in accord with paragraph (c) of this section and § 190.211(a), a particular pipeline facility to be hazardous to life, property, or the environment, the Associate Administrator, OPS shall issue an order pursuant to this section requiring the owner or operator of the facility to take corrective action. Corrective action may include suspended or restricted use of the facility, physical inspection, testing, repair, replacement, or other appropriate action.

(b) The Associate Administrator, OPS may waive the requirement for notice and opportunity for hearing under paragraph (a) of this section before issuing an order pursuant to this section when the Associate Administrator, OPS determines that the failure to do so would result in the likelihood of serious harm to life, property, or the environment. However, the Associate Administrator, OPS shall provide an opportunity for a hearing as soon as is practicable after the issuance of a compliance order. The provisions of paragraph (c)(2) of this section apply to an owner or operator's decision to exercise its opportunity for a hearing. The purpose of such a post-order hearing is for the Associate Administrator, OPS to determine whether a compliance order should remain in effect or be rescinded or suspended in accord with paragraph (g) of this section.

(c) Notice and hearing:

(1) Written notice that OPS intends to issue an order under this section shall be served upon the owner or operator of an alleged hazardous facility in accordance with § 190.5. The notice shall allege the existence of a hazardous facility and state the facts and circumstances supporting the issuance of a corrective action order. The notice shall also provide the owner or operator with the opportunity for a hearing and shall identify a time and location where a hearing may be held.

(2) An owner or operator that elects to exercise its opportunity for a hearing under this section must notify the Associate Administrator, OPS of that election in writing within 10 days of service of the notice provided under paragraph (c)(1) of this section, or under paragraph (b) of this section when applicable. The absence of such written notification waives an owner or operator's opportunity for a hearing and allows the Associate Administrator, OPS to issue a corrective action order in accordance with paragraphs (d) through (h) of this section.