



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

1200 New Jersey Ave, S.E.
Washington, D.C. 20590

DEC 20 2011

Ms. Danika Yeager
Senior Director, Transportation Compliance
Enterprise Products
P.O. Box 4324
Houston, TX 77210-4324

Dear Ms. Yeager:

By letter dated June 29, 2011, you asked for a written interpretation on the application of the Pipeline Safety Regulations (49 CFR Parts 190-199) to the High Island Offshore System (HIOS). Specifically, you asked whether a recent change in the configuration of the HIOS affects the Pipeline and Hazardous Materials Safety Administration's (PHMSA) previous determination that a portion of that pipeline system is a transmission line under 49 CFR Part 192.¹

Background

The HIOS is a 204-mile natural gas pipeline system operated by Enterprise Products (Enterprise). It consists of five pipeline segments and five offshore platforms, all of which are located on the Outer Continental Shelf of the Gulf of Mexico. The five pipeline segments include the West Leg, a 53.3-mile, 30-inch pipeline; the Center Leg, a 41-mile, 30-inch pipeline; the East Leg, a 26.2-mile, 36-inch pipeline; the East Extension, a 14.5-mile, 30-inch pipeline; and the Main Trunk, a 65.9-mile, 42-inch pipeline. The five offshore platforms include the High Island Area (HIA) 264 Complex, the HIA 573 Manifold Platform, the HIA 330 Manifold Platform, HIA 582 Manifold Platform, and the HIA 343 Manifold Platform. The HIOS Main Trunk interconnects with the UTOS System at the West Cameron (WC) 167 Manifold Platform. The WC167 Manifold Platform and UTOS are operated by Enbridge Offshore Pipelines (UTOS) L.L.C. (Enbridge).

Analysis

In a March 8, 2011, letter of interpretation to Enbridge, PHMSA concluded that the portion of the HIOS which is located downstream of the compression facilities at the HIA 264 Complex was a transmission line under 49 CFR Part 192. Specifically, PHMSA stated "that the HIA Block A-264 compression facilities [we]re a point of operational and functional significance in

¹*In the Matter of Enbridge Offshore Pipelines (UTOS) L.L.C.*, PHMSA Interp. #PI-10-0008 (Mar. 8, 2011) (<http://www.phmsa.dot.gov/portal/site/PHMSA/menuitem.ebdc7a8a7e39f2e55cf2031050248a0c/?vgnextoid=bfe97428d17ae210VgnVCM1000001ecb7898RCRD>).

the HIOS,” i.e., that “[s]everal pipelines that transport gas from current production facilities converge[d] at that point,” that the “compression facilities ensure[d] that such transportation c[ould] continue through a 66-mile, 42-inch-diameter pipeline,” and that those facilities marked the transition between the gathering and transmission of gas. PHMSA based that determination on the information available at that time, including a September 30, 2009, declaratory order from the Federal Energy Regulatory Commission.²

Your most recent letter states that Enterprise removed the compression facilities at the HIA 264 Complex on August 4, 2009, and that the company has no plans of reactivating those facilities in the future. You believe that change in configuration warrants reclassifying the entire HIOS as a gathering line under 49 CFR Part 192.

The presence of active compression facilities at the HIA 264 Complex was critical to the determination in the March 8, 2011, letter of interpretation. If those facilities have been permanently removed from service, PHMSA agrees that the downstream portion of the Main Trunk would not qualify as a transmission line, and that the entire HIOS would meet the definition of an offshore gathering line.³

I hope that this information is helpful to you. If I can be of further assistance, please contact me at 202-366-4046.

Sincerely,



John A. Gale
Director, Office of Standards
and Rulemaking

² High Island Offshore System, L.L.C., 128 FERC P 61292, 62369 (Sept. 30, 2009) (order determining jurisdictional status of facilities under section 1(b) of the Natural Gas Act).

³ 49 CFR 192.3, 192.9.



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June 29, 2011

VIA HAN D-DELIVERY

Mr. John A. Gale
Director, Office of Standards & Rulemaking
U.S. Department of Transportation
Pipeline & Hazardous Materials Safety Administration
1200 New Jersey Ave., S.E.
Washington, DC 20590

Re: March 8, 2011 letter concerning classification of UTOS System

Dear Mr. Gale:

Thank you for the opportunity to provide additional information relating to PHMSA's March 8, 2011 letter (the "PHMSA letter") to Mr. Gregg Johnson of Enbridge Offshore Pipelines, LLC ("Enbridge"), concerning its UTOS System, which is interconnected with Enterprise's High Island Offshore System ("HIOS"). By this letter, Enterprise requests reconsideration of the portion of the PHMSA letter that concludes "that the pipeline segment [of the HIOS] that interconnects with the UTOS is a transmission line."

PHMSA's interpretation is in response to Enbridge's May 4, 2009 request for a written interpretation concerning the operational characteristics, and hence classification, of the UTOS System. In analyzing Enbridge's request, and after reviewing other publicly available information, PHMSA determined UTOS was a jurisdictional transmission line. In so doing, it also analyzed the HIOS System and concluded that HIOS was also a jurisdictional transmission system.

In reaching this conclusion, PHMSA acknowledged the presence of active compression facilities on HIOS, located in HIA Block-264. As of August 4, 2009, compression was discontinued at Block-264, and hence, the entire HIOS gathering system is no longer transporting under artificially increased pressures from compression facilities. Further, Enterprise does not anticipate altering this current configuration in the future. Additional information concerning HIOS, as well as information concerning the removal of active compression at HIA Block-264, is attached for your reference and review.

Mr. John A. Gale
June 29, 2011
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Based upon the foregoing, Enterprise respectfully requests a minor modification to PHMSA's March 8, 2011, correspondence to state that HIOS is a jurisdictional off-shore gathering system in light of this change in factual circumstances.

Respectfully submitted,



Danika Yeager

DY/pc

Attachments

xc: Mr. Raymond Albrecht
Enterprise Products Company

Mr. Brigham A. McCown
Langley Weinstein LLP



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HAND-DELIVERY RECEIPT:

By: _____

Date: _____