

## NOTICE OF AMENDMENT

### **CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

July 28, 2009

Mr. Steve Letwin  
Executive Vice President, Gas  
Enbridge Employee Services Inc.  
1100 Louisiana  
Houston, Texas 77002

**CPF 3-2009-1016M**

Dear Mr. Letwin:

On July 23-27, 2007 and July 30-31, 2007, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code inspected the Vector Pipeline L.P. (Vector) integrity management plan and procedures in Superior, Wisconsin.

On the basis of the inspection, PHMSA has identified apparent inadequacies within Vector's plans or procedures, as described below:

#### **§192.911 What are the elements of an integrity management program?**

**An operator's initial integrity management program begins with a framework (see §192.907) and evolves into a more detailed and comprehensive integrity management program, as information is gained and incorporated into the program. An operator must make continual improvements to its program. The initial program framework and subsequent program must, at minimum, contain the following elements. (When indicated, refer to ASME/ANSI B31.8S (ibr, see §192.7) for more detailed information on the listed element.)**

1. **§192.911(c) An identification of threats to each covered pipeline segment, which must include data integration and a risk assessment. An operator must use the threat identification and risk assessment to prioritize covered segments for assessment (§192.917) and to evaluate the merits of additional preventive and mitigative measures (§192.935) for each covered segment.**

**Item 1A: §192.917(c) *Risk assessment.* An operator must conduct a risk assessment that follows ASME/ANSI B31.8S, section 5, and considers the identified threats for each covered segment. An operator must use the risk assessment to prioritize the covered segments for the baseline and continual reassessments (§§192.919, 192.921, 192.937), and to determine what additional preventive and mitigative measures are needed (§192.935) for the covered segment.**

After an in-line inspection has been completed on a pipeline segment, the external corrosion factor is replaced by the ILI factor, which is solely dependent on the timeframe length from the previous ILI assessment. This masks the usefulness of other important information (e.g., coating conditions, soil characteristics, parallel AC) concerning initiation and growth of external corrosion.

2. **§192.911(d) A direct assessment plan, if applicable, meeting the requirements of §192.923, and depending on the threat assessed, of §§192.925, 192.927, or 192.929.**

**Item 2A: §192.925(b) *General requirements.* An operator that uses direct assessment to assess the threat of external corrosion must follow the requirements in this section, in ASME/ANSI B31.8S (incorporated by reference, *see* §192.7), section 6.4, and in NACE RP 0502–2002 (incorporated by reference, *see* §192.7). An operator must develop and implement a direct assessment plan that has procedures addressing preassessment, indirect examination, direct examination, and post-assessment. If the ECDA detects pipeline coating damage, the operator must also integrate the data from the ECDA with other information from the data integration (§192.917(b)) to evaluate the covered segment for the threat of third party damage, and to address the threat as required by §192.917(e)(1).**

The Vector ECDA plan does not specify the physical spacing of readings (and the practices for changing the spacing as needed) such that suspected corrosion activity on the segment can be detected and located as required by NACE RP0502-2002, Section 4.2.3. During the inspection, Vector provided draft revisions of the ECDA plan that, if finalized and implemented, will address this issue.

3. **§192.911(e) Provisions meeting the requirements of §192.933 for remediating conditions found during an integrity assessment.**

**Item 3A: §192.933(b) *Discovery of condition.* Discovery of a condition occurs when an operator has adequate information about a condition to determine that the condition presents a potential threat to the integrity of the pipeline. A condition**

**that presents a potential threat includes, but is not limited to, those conditions that require remediation or monitoring listed under paragraphs (d)(1) through (d)(3) of this section. An operator must promptly, but no later than 180 days after conducting an integrity assessment, obtain sufficient information about a condition to make that determination, unless the operator demonstrates that the 180-day period is impracticable.**

Vector's procedures do not provide a definition of discovery meeting §192.933(b) requirements. Vector's procedures define discovery as occurring when the Master Dig List is delivered to the Project Manager. However, per the rule, discovery is to be established when an operator has adequate information about the condition to determine that it presents a potential threat to the integrity of the pipeline. Depending on circumstances, Vector may have adequate information when it receives the preliminary internal inspection report, gathers and integrates information from other inspections, or when it receives the final internal inspection report. During the inspection, Vector provided proposed procedural revisions that, if finalized and implemented, will resolve this issue.

**4. §192.911(h) Provisions meeting the requirements of §192.935 for adding preventive and mitigative measures to protect the high consequence area.**

**§192.935(b)(1) *Third party damage.* An operator must enhance its damage prevention program, as required under §192.614 of this part, with respect to a covered segment to prevent and minimize the consequences of a release due to third party damage. Enhanced measures to an existing damage prevention program include, at a minimum—**

**(iv) Monitoring of excavations conducted on covered pipeline segments by pipeline personnel. If an operator finds physical evidence of encroachment involving excavation that the operator did not monitor near a covered segment, an operator must either excavate the area near the encroachment or conduct an above ground survey using methods defined in NACE RP-0502-2002 (incorporated by reference, *see* §192.7). An operator must excavate, and remediate, in accordance with ANSI/ASME B31.8S and §192.933 any indication of coating holidays or discontinuity warranting direct examination.**

The Vector integrity management does not require that areas near unmonitored encroachments be excavated or that above ground surveys using methods defined in NACE RP0502-2002 be conducted. During the inspection, Vector provided proposed procedural revisions that, if finalized and implemented, will resolve this issue.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. 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). 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, after opportunity for a hearing, 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. § 190.237). 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.

In correspondence concerning this matter, please refer to **CPF 3-2009-1016M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Ivan A. Huntoon  
Director, Central Region  
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*