

## WARNING LETTER

### OVERNIGHT EXPRESS DELIVERY

January 2, 2020

Mr. Robert Richard  
Senior Vice President of Gas Operations  
DTE Gas Company  
One Energy Plaza  
Detroit, MI 48226

CPF 1-2020-1002W

Dear Mr. Richard:

From September 10-12, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected DTE Gas Company's (DTE) Washington 10 Complex Underground Natural Gas Storage (UNGS) facility in Macomb County, MI.

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

1. **§ 192.12 Underground natural gas storage facilities.**
  - (a) ...
  - (d) **Each underground natural gas storage facility that uses a depleted hydrocarbon reservoir or an aquifer reservoir for gas storage, including those constructed not later than July 18, 2017 must meet the operations, maintenance, integrity demonstration and verification, monitoring, threat and hazard identification, assessment, remediation, site security, emergency response and preparedness, and recordkeeping requirements and recommendations of API RP 1171, sections 8, 9, 10, and 11 (incorporated by reference, see §192.7) by January 18, 2018.**

DTE failed to meet the integrity monitoring requirements of API RP 1171. Specifically, DTE failed to demonstrate that it visually inspected each wellhead assembly at least annually for leaks in accordance with API RP 1171, Section 9.3.2.

Section 9.3.2, Well Integrity Monitoring, States in part:

The operator shall visually inspect each wellhead assembly at least annually for leaks.

During the inspection, DTE was not able to provide documentation of the wellhead assembly leak inspections for 2018.

**2. § 192.12 Underground natural gas storage facilities.**

**(a) ...**

**(d) Each underground natural gas storage facility that uses a depleted hydrocarbon reservoir or an aquifer reservoir for gas storage, including those constructed not later than July 18, 2017 must meet the operations, maintenance, integrity demonstration and verification, monitoring, threat and hazard identification, assessment, remediation, site security, emergency response and preparedness, and recordkeeping requirements and recommendations of API RP 1171, sections 8, 9, 10, and 11 (incorporated by reference, see §192.7) by January 18, 2018.**

DTE failed to meet the integrity monitoring requirements of API RP 1171. Specifically, DTE failed to demonstrate that it function-tested surface safety valves at least annually in accordance with API RP 1171, Section 9.3.2.

Section 9.3.2, Well Integrity Monitoring, States in part:

Surface and subsurface safety valve systems, where installed, shall be function-tested at least annually.

During the inspection, DTE was not able to provide documentation of the surface safety valve function tests for 2018.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the

item(s) identified in this letter. Failure to do so will result in DTE Gas Company being subject to additional enforcement action.

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).

No reply to this letter is required. If you choose to reply, please submit all correspondence in this matter to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. Please refer to **CPF 1-2020-1002W** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to [robert.burrough@dot.gov](mailto:robert.burrough@dot.gov). Larger files should be sent on USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Sincerely,  
Robert Burrough  
Director, Eastern Region  
Pipeline and Hazardous Materials Safety Administration

Cc: Ms. Renee Tomina, Vice President of Gas Operations, DTE Gas Company; One Energy Plaza Detroit, MI 48226