



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Ave., SE
Washington, DC 20590

JAN 29 2009

Mr. Terrance L. McGill
President
Enbridge Energy Company, Inc.
1100 Louisiana St., Suite 3300
Houston, TX 77002-5217

Mr. Michael Forbau
Chief Operating Officer
Quest Midstream Partners, L.P.
Three Allen Center
333 Clay Street, Suite 4060
Houston, TX 77002-7002

Re: CPF No. 3-2006-1012

Dear Mr. McGill and Mr. Forbau:

Enclosed is the Final Order issued by the Pipeline and Hazardous Materials Safety Administration in the above-referenced case. It makes findings of violation and specifies actions that need to be taken by the pipeline's current owner, Quest Midstream, to comply with the pipeline safety regulations. When the terms committed by Enbridge of the compliance order have been completed, as determined by the Director, Central Region, this enforcement action will be closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Ivan A. Huntoon, Director, Central Region, PHMSA

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

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

In the Matter of)
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)

Enbridge Energy Company, Inc.,)
a/k/a Enbridge Pipelines Kansas)
Pipeline Company, Respondent,)
)

CPF No. 3-2006-1012

and)
)

Quest Midstream Partners, L. P.)
_____)

FINAL ORDER

On December 5-15, 2005, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Enbridge Energy Company, Inc. (Enbridge or Respondent) at its Olathe, Kansas, facility. At the time of the inspection, Enbridge owned and operated the Kansas Pipeline System, a 1,120-mile interstate gas pipeline that transports natural gas from Oklahoma and western Kansas to the metropolitan Wichita and Kansas City markets.¹ As a result of the inspection, the Director, Central Region, OPS (Director), issued to Enbridge, by letter dated March 6, 2006, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Enbridge had committed violations of 49 C.F.R. Part 192 and ordering Enbridge to take certain corrective measures. The Notice also proposed finding that Enbridge had committed other probable violations of 49 C.F.R. Part 192 and warning the company to take appropriate corrective action or be subject to future enforcement action.

Enbridge responded to the Notice by letter dated April 5, 2006, as supplemented by letters dated May 16, 2006, May 25, 2006, June 7, 2006, September 29, 2006, December 22, 2006, July 2, 2007, and October 15, 2007 (collectively, Response). Enbridge did not contest the allegations of violation but described certain corrective actions that it planned to implement. Respondent did not request a hearing and therefore has waived its right to one.

¹ In 2007, Quest Midstream Partners, L.P. (Quest) acquired from Enbridge the pipeline facilities that are the subject of this Final Order. Quest Midstream Partners, L.P., a subsidiary of Quest Resource Corporation, owns and operates roughly 2,000 miles of natural gas gathering pipelines, in addition to the Kansas Pipeline System.

FINDINGS OF VIOLATION

Item 1B: The Notice alleged that Enbridge violated 49 C.F.R. § 192.473(a), which states:

§ 192.473 External corrosion control: Interference currents.

(a) Each operator whose pipeline system is subjected to stray currents shall have in effect a continuing program to minimize the detrimental effects of such currents.

The Notice alleged that Enbridge's employees did not adhere to the company's written operating and maintenance procedures (O&M Manual) to assess foreign crossings and minimize the detrimental effects of stray currents on the pipeline's cathodic protection system. Although Enbridge had developed written procedures for assessing stray currents, its personnel failed to routinely survey the crossings and take appropriate action as established by the O&M Manual.

In response to the Notice, Enbridge did not contest the allegation of violation but described various actions it intended to take to correct the violation. Accordingly, I find that Enbridge violated 49 C.F.R. § 192.473(a) by failing to implement a continuing program to minimize the detrimental effects of stray currents.

Item 2: The Notice alleged that Enbridge violated 49 C.F.R. § 192.745(b), which states:

§ 192.745 Valve maintenance: Transmission lines.

(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.

(b) Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve.

The Notice alleged that Enbridge failed to take prompt remedial action to correct two valves at the Kansas City Terminal delivery station that were deemed inoperable during the 2004 and 2005 valve inspections. The pipeline safety regulations require operators to correct inoperable valves promptly. In response to the Notice, Enbridge did not contest the allegation of violation but described its plans to replace both of the specified valves by May 2006. Accordingly, I find that Enbridge violated 49 C.F.R. § 192.745(b) by failing to take prompt remedial action to correct two inoperable transmission line valves.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Enbridge.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1B and 2 in the Notice for violations of 49 C.F.R. § 192.473(a) and 49 C.F.R. § 192.745(b). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility

is required to comply with the applicable safety standards established under chapter 601. The Director indicates that Enbridge has taken the following actions to address Items 1B and 2. With respect to Notice Item 2, Enbridge replaced the inoperable valves on May 2, 2006, as confirmed by letter dated May 25, 2006. I find that this action complies with the requirements of Item 2 of the Proposed Compliance Order and therefore does not need to be included in this Final Order.

With respect to Item 1B, Quest has not yet provided the Director with documentation that it has fully completed a plan and schedule for determining whether the pipeline is adversely affected by stray currents.² Quest provided a letter to OPS, dated November 18, 2008, acknowledging responsibility for meeting the terms of this compliance order.

Therefore, pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Quest is ordered to take the following actions as to Item 1B to ensure compliance with the pipeline safety regulations applicable to its operations. Quest shall:

1. Within 30 days following receipt of this Final Order, submit a written plan and schedule for the identification of all foreign pipeline crossings by survey, reviewing the test stations at the crossings to determine their adequacy, installing additional test stations if necessary, and assessing each foreign pipeline crossing to determine if the pipeline is adversely affected by stray currents. To the extent Quest is currently implementing such a plan, include a progress report and an estimated completion date.
2. Submit the plan and evidence of the completed actions to the Director, Central Region, Pipeline and Hazardous Materials Safety Administration, 901 Locust Street, Room 462, Kansas City, Missouri 64106, when the appropriate actions have been completed.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by Quest demonstrating good cause for an extension.

Failure to comply with this Order may result in administrative assessment of civil penalties not to exceed \$100,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

WARNING ITEMS

With respect to Items 1A and 1C, the Notice alleged probable violations of Part 192 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. §§ 192.605 and 192.739 (Notice Item 1A) — Enbridge's alleged failure to document the annual testing of regulators on the primary fuel gas system at the Pawnee, Oklahoma, compressor station, as required under the O&M Manual; and

² As the current operator, it is now Quest's responsibility to complete the terms of the Compliance Order.

49 C.F.R. § 192.485(c) (Notice Item 1C) — Enbridge's alleged failure to provide written documentation each time that the company determines the remaining strength of corroded pipe, as required under the O&M Manual.

Enbridge presented information in its Response indicating that it had taken certain actions to address the cited warning items. Having considered such information, I find, pursuant to 49 C.F.R. § 190.205, that probable violations of 49 C.F.R. §§ 192.605 and 192.739 (Notice Item 1A) and 49 C.F.R. § 192.485(c) (Notice Item 1C) had occurred as of the date of the inspection. Enbridge is hereby advised to review and correct such conditions. In the event that OPS finds a violation for any of these items in a subsequent inspection, Enbridge may be subject to future enforcement action.

The terms and conditions of this Final Order shall be effective upon receipt.

William H. Butts

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Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

JAN 29 2009

Date Issued