

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 2, 2010

Mr. John Gurrola, Vice President and Manager
Wolverine Pipe Line Company
8075 Creekside Drive, Suite 210
Portage, MI 49024-5251

CPF 3-2010-5003W

Dear Mr. Gurrola:

On October 22-26, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Wolverine Pipe Line Company's procedures and records as part of a standard unit inspection in Portage, MI.

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

1. §195.420 Valve maintenance.

(b) Each operator shall, at intervals not exceeding 7 1/2 months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

Wolverine Pipe Line Company did not document the inspection of each mainline valve to determine that it was functioning properly at least twice each calendar year at intervals not exceeding 7 1/2 months. Records indicate that personnel that were at the Casco Junction station were performing other scheduled maintenance. Wolverine

indicated that the valve inspections would have been part of the scheduled maintenance at that time. However, there is no documentation on the valve inspections for October 2005.

2. §195.579 What must I do to mitigate internal corrosion?

(c) Removing pipe. Whenever you remove pipe from a pipeline, you must inspect the internal surface of the pipe for evidence of corrosion. If you find internal corrosion requiring corrective action under Sec. 195.585, you must investigate circumferentially and longitudinally beyond the removed pipe (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the removed pipe.

Wolverine Pipe Line Company did not document two external and internal inspections of their pipeline system. This is noted by documentation that neither end of the GH-FB 8-inch pipeline segment replacement project in Grand Haven on the PL-751, form dated February 8, 2006 was inspected. In addition, the parent pipe on the VI-FD 16-inch pipeline replacement at station 7684+33 on May 6, 2006, PL-0751, Report Number FD-44-06 contains no documentation that an external and internal inspection was performed.

3. §195.569 Do I have to examine exposed portions of buried pipelines?

Whenever you have knowledge that any portion of a buried pipeline is exposed, you must examine the exposed portion for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated. If you find external corrosion requiring corrective action under Sec. 195.585, you must investigate circumferentially and longitudinally beyond the exposed portion (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the exposed portion.

Wolverine Pipe Line Company did not examine the exposed two portions of the pipeline for external corrosion if the pipe is bare, or if the coating is deteriorated. The records show that the condition of the pipe coating was not documented for the GH-FB 8-inch pipeline and the VI-FD 16-inch pipeline.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any 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 Wolverine Pipe Line Company being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 3-2010-5003W**. 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).

Sincerely,

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