

AUG 1, 2012

VIA CERTIFIED MAIL AND FAX TO: 832-325-5473

Mr. Richard Adams
Vice President, US Operations
Enbridge Energy, LP
City Center Office
1409 Hammond Avenue
Superior, WI 54880-5247

**Re: CPF No. 3-2012-5017H
Amendment to the July 30, 2012 Corrective Action Order**

Dear Mr. Adams:

Enclosed is an Amendment to the Corrective Action Order that was issued in the above-referenced case on July 30, 2012. Your receipt of this Amendment constitutes service of that document under 49 C.F.R. § 190.5.

Please direct any questions on this matter to David Barrett, Director, Central Region, Office of Pipeline Safety, PHMSA, at (816) 329-3800.

Sincerely,

Jeffery Wiese
Associate Administrator
For Pipeline Safety

Enclosures: Amendment to the Corrective Action Order
Copy of 49 C.F.R. § 190.233

cc: Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, OPS
Mr. David Barrett, Director, Central Region, OPS
Mr. Mark Maki, President, Enbridge Energy Management, LLC
Mr. Steve Wuori, President, Liquids Pipelines, Enbridge Pipelines Inc.

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

In the Matter of)
)
Enbridge Energy, LP,) **CPF No. 3-2012-5017H**
)
Respondent.)

AMENDMENT
TO THE CORRECTIVE ACTION ORDER

Background and Purpose

On July 30, 2012, under authority of 49 U.S.C. § 60112, the Associate Administrator for Pipeline Safety, Pipeline and Hazardous Materials Safety Administration (PHMSA), issued a Corrective Action Order (CAO) to Enbridge Energy Partners, LP (Enbridge or Respondent), finding that continued operation of Respondent's Line 14 that runs from Superior, Wisconsin, to Mokena, Illinois, without corrective action would be hazardous to life, property, or the environment and requiring Respondent to take immediate corrective action to ensure the safe operation of the pipeline. PHMSA issued the July 30, 2012 CAO (Original CAO) ¹ in response to a failure on Line 14 near Grand Marsh, Wisconsin, that was reported by Enbridge on July 27, 2012 (Failure). The Failure resulted in an estimated release of 1,200 barrels of crude oil. PHMSA initiated an investigation of the Failure which is ongoing.

Line 14 is a part of Respondent's 1,900 mile-long Lakehead Pipeline system, which transports hazardous liquid from Neche, North Dakota, to Chicago, Illinois, with an extension to Buffalo, New York.²

Additional Preliminary Findings

The preliminary findings in the Original CAO noted that the history of failures on Respondent's Lakehead Pipeline system, the defects originally discovered during construction of Line 14, a 2007 failure on Line 14, and the July 2010 failure on Line 6B in Marshall, Michigan, and additional failures throughout all parts of the Lakehead System indicate that Respondent's integrity management program may be inadequate. PHMSA has communicated its longstanding

¹ *In the Matter of Enbridge Energy Partners, L.P.*, Corrective Action Order (CPF No. 3-2012-5017H) dated July 30, 2012.

² See <http://www.enbridgeus.com/Delivering-Energy/Pipeline-Systems/Liquids-Pipelines/> (last accessed August 1, 2012). The Lakehead System includes Lines 1, 2, 3, 4, 5, 6A, 6B, 10, 14, and 64, and associated facilities.

concerns about this pattern of failures with Respondent over the past several years. Given the nature, circumstances, and gravity of this pattern of accidents, additional corrective measures are warranted.

Finding of Hazardous Condition

Section 60112 of Title 49, United States Code, provides for the issuance of a Corrective Action Order, including amendments, after reasonable notice and the opportunity for a hearing, requiring the operator of a pipeline determined to pose a hazard to take corrective actions to protect the public and the environment. These may include the suspended or restricted use of a pipeline facility, physical inspection, testing, repair, replacement, or other action, as appropriate. The basis for making a determination that a pipeline facility is or would be hazardous, requiring corrective action, is set forth both in the above-referenced statute and 49 C.F.R. § 190.233, a copy of which is enclosed.

After evaluating all available information regarding the safety of the Lakehead System, including the foregoing additional preliminary findings, and considering the nature and circumstances surrounding the Failure, the hazardous nature of the product transported, the pressure required for transporting such product, and the ongoing investigation to determine the root cause of the Failure, I find that the continued operation of the Line 14 without additional corrective measures would be hazardous to life, property, and the environment.

Accordingly, PHMSA hereby issues this Amendment to the CAO requiring the additional actions specified herein be taken to protect life, property, and the environment. The additional actions set forth in this Amendment to the CAO are in addition to the actions set forth in the Original CAO and do not suspend or eliminate the requirements of the Original CAO, unless otherwise specifically provided herein.

Amendments to Required Corrective Action

Pursuant to 49 U.S.C. § 60112 and 49 C.F.R. § 190.233, Enbridge Energy Partners, L.P. is ordered to comply with this Amendment to the CAO and take the following additional corrective actions with respect to the Lakehead System. The following item is added to the Corrective Action Order:

13. Before the Director, Central Region, OPS, approves the restart of Line 14, Enbridge must (1) submit, for review and approval, a comprehensive written plan, including timelines for specific actions to improve the safety record of Respondent's Lakehead pipeline system and (2) hire an independent third party pipeline expert to review and assess the written plan, which the third party will submit to PHMSA and to Respondent concurrently. Further, the third party expert must oversee the creation, execution and implementation of the actions identified in the plan, and must provide monitoring summaries to PHMSA and Respondent concurrently. Respondent must commit to address any deficiencies or risks identified in the third party's assessment, including repair and replacement of high-risk infrastructure.

The plan must be sufficiently detailed with specific tasks, milestones and completion dates. At a minimum, the plan must address:

- a. Organizational issues, including the promotion of a safety culture and creation of a safety management system;
- b. Facilities response plan;
- c. Control room management;
- d. Priorities for pipe replacement;
- e. Training;
- f. In-line inspection result interpretation;
- g. Current engineering and probability of failure modeling;
- h. Leak detection systems;
- i. Sensor and flow measuring and valve replacement;
- j. Integrity verification;
- k. Quality management system; and
- l. Any other risk, task, issue or item that is necessary to promote and sustain the safety of its pipeline system.

The actions required by this Amendment to the CAO are in addition to and do not waive any requirements that apply to Line 14 under the Original CAO or to Respondent's pipeline system under 49 C.F.R. Parts 190 through 199, as applicable, or any other Order issued to Respondent under authority of 49 U.S.C. § 60101 et seq., or under any other provision of federal or state law.

After receiving and analyzing additional data in the course of this investigation, PHMSA may identify other corrective actions that need to be taken. In that event, Respondent will be notified of any additional measures required and further amendment of the CAO will be considered. To the extent consistent with safety, Respondent will be afforded notice and an opportunity for a hearing prior to the imposition of any additional corrective measures.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued