

**WARNING LETTER**

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

February 15, 2013

Mr. Richard Adams  
Vice President, U.S. Operations  
Enbridge Pipelines (Toledo), Inc.  
City Center Office  
1409 Hammond Avenue  
Superior, Wisconsin 54880-5247

**CPF 3-2013-5006W**

Dear Mr. Adams,

On February 4-8, 2013, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Line 79 pipeline construction project near White Oak Township, 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. §195.202 Compliance with specification or standards**

**Each pipeline system must be constructed in accordance with comprehensive written specifications or standards that are consistent with the requirements of this part.**

PHMSA Central Region staff observed instances where the external coating inspection was not in accordance with Enbridge's construction specifications. The following issues were identified:

- a. Foreign material, such as tape, was coated over with two part epoxy at girth weld locations.
- b. Repairs made using two part epoxy were observed to be burned and bubbled on multiple welds.
- c. In multiple locations, inadequate surface preparation was observed. Large gouges in the coating were observed in seven locations.
- d. Two part epoxy repairs were also observed with beads of gummy material in the repair.
- e. Denso 7200 girth weld coatings were observed to have dry film thicknesses less than the required 40 mils for bore pipe. Section 8.2.13 of Enbridge's Pipeline Field Coating specification states, "When coating girth welds intended for bores or HDD service the DFT of the plural component coating applied shall be a minimum of 40 mils. This shall be completed in two separate passes or as recommended by the coating manufacturer." Therefore, the coating was not applied in accordance with Enbridge's construction specification.
- f. A girth weld's coating was observed to be damaged before it fully cured at the 6:00 position due to the pipe being pulled through the rollers at a bore site.

## **2. §195.204 Inspection- General.**

**Inspection must be provided to ensure the installation of pipe or pipeline systems in accordance with the requirements of this subpart. No person may be used to perform inspections unless that person has been trained and is qualified in the phase of construction to be inspected.**

Enbridge's inspection of Line 79 was not adequate to ensure the installation of pipe was in accordance with Part 195 requirements. As described in Item 1 above, Central Region staff observed instances where the external coating inspection was not in accordance with the required Enbridge construction specifications. Pipe had already been inspected by Enbridge for coating of girth weld and repairs, yet multiple girth weld coatings and repairs were still out of specification as well as foreign material being coated over as observed by PHMSA staff. At PHMSA's behest the foreign material was removed and re-inspected.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not

exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 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 Enbridge Pipelines (Toledo) Inc. 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 3-2013-5006W**. 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,

David Barrett  
Director, Central Region  
Pipeline and Hazardous Materials Safety Administration