

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 8, 2017

Mr. Ryan Coffey
Executive Vice President
Rover Pipeline, LLC
800 E Sonterra Blvd.
Suite 400
San Antonio, TX 78258

CPF 3-2017-1006W

Dear Mr. Coffey:

On March 24 and April 4-11, 2017, a representative of the Michigan Public Service Commission (MIPSC), acting as an interstate agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code conducted a construction inspection of Rover Pipeline LLC (Rover) in North Baltimore, Ohio and Pinckney, Michigan.

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

1. §192.303 Compliance with specifications or standards.

Each transmission line or main must be constructed in accordance with comprehensive written specifications or standards that are consistent with this part.

- a) Rover personnel did not follow standard API 1104 Section 6.3.1 for multiple qualification when qualifying their welders for the ET Rover Pipeline project.

On March 24, 2017, MIPSC staff observed the qualification of welders to API 1104 multiple qualification. When the MIPSC arrived, they noted that two branches were

ready to be grinded for final fit. When the MIPSC asked who prepared the branches, they were told by a welding inspector that they were cut by the welder assistants and not by the welder qualifying. MIPSC was further told that the welder assistant could grind to prepare the branch surface and observed the welding assistant lay out the branch on the pipe.

API 1104 Section 6.3.1 states "For the second test, the welder shall lay out, cut, fit, and weld a full-sized branch-on-pipe connection." The Rover welder did not lay out or fit the full size branch as required by API 1104.

- b) During the application of a two part epoxy coating to a girth weld on the mainline between station numbers 4740+00 and 4755+00, the Rover contractor did not follow procedures for curing the applied coating.

On April 4, 2017, the MIPSC observed the contractor make several coating repairs to a section of pipe that was damaged during lowering-in. After preparing the surface and applying the two part repair to the damage, the repair crew used a heat gun to speed drying time. According to a Request for Information (RFI) regarding the clarification of Procedure Corrosion Control-6.0306-Coating of Field Joints, the response indicated that "At no time can heat be applied to accelerate cure time". The RFI was approved on March 27, 2017 and shows that it was distributed to the client, field engineer, construction manager, QC/QA, and the project manager.

- c) During the welding of a girth weld on the mainline between station numbers 4740+00 and 4755+00, the Rover welder did not weld within the welding parameters on the root bead pass and the hot pass.

On April 11, 2017, the MIPSC observed the welding inspector take readings of voltages on a girth weld. The root bead pass was measured at 55 volts. Then on the hot pass, the volts were again found at 55 volts. Welding procedure ETC-A112A-Rover specifies the range for volts on the root bead pass and the hot pass as 18-38 volts. The welder was asked on both passes to readjust when the high voltages were noted. The parameters were all within specification from that point on.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violation occurring between January 4, 2012 to August 1, 2016, 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. 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 Rover Pipeline, LLC 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 3-2017-1006W**. 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,

Allan C. Beshore
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration