

**NOTICE OF PROBABLE VIOLATION  
PROPOSED CIVIL PENALTY  
And  
PROPOSED COMPLIANCE ORDER**

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

August 25, 2015

Mr. Brad Shamla  
Vice President, U.S. Operations  
Enbridge Storage (Cushing) L.L.C.  
1100 Louisiana Street, Suite 3300  
Houston, TX 77002

**CPF 4-2015-5016**

Dear Mr. Shamla:

On multiple occasions between July 23, 2012 and April 20, 2015, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code were onsite and conducted inspections of the Enbridge Storage (Cushing) L.L.C (Enbridge) terminal in Cushing, Oklahoma, specifically procedures and records related to the Enbridge BP/Amoco Pipe Modification Project (BP/Amoco Project), AFE#1490541118. The project is ongoing and inspections are continuing.

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 violations are:

**1. §195.214 Welding Procedures.**

- (a) Welding must be performed by a qualified welder in accordance with welding procedures qualified under Section 5 API 1104 or Section IX of the ASME Boiler and Pressure vessel Code (incorporated by reference, *see* §195.3). The quality of the test welds used to qualify the welding procedure shall be determined by destructive testing.**
- (b) Each welding procedure must be recorded in detail, including the results of the qualifying test. This record must be retained and followed whenever the procedure is used.**

Enbridge failed ensure that welding was performed by a qualified welder in accordance with qualified welding procedures for the BP/Amoco Project. This welding procedure, 106 LT, limited the maximum time between filler passes to no more than 15 minutes. On the afternoon of March 6, 2015 at approximately 3:45 PM, Enbridge was performing welding on the BP/Amoco project. Welders completed the root bead and a portion of the hot pass on a tie-in weld when Enbridge personnel stopped the process after determining that welding personnel may have failed to follow confined space procedures on a previous weld. After a lengthy discussion among Enbridge personnel a decision was made that there was a violation of the Enbridge confined space procedure and at approximately 6:30 PM the welding personnel were sent offsite to be drug tested in accordance with Enbridge procedures.

At approximately 8:30 PM, Enbridge brought in another team of welders to complete the weld. These welders, who were normally assigned to perform maintenance welding, were not provided procedure 106 LT and were instructed to complete the weld as they described it “like other welds we had made.” Rather than grinding out the partially completed weld and re-welding (because more than 15 minutes had elapsed between passes) the welders were instructed to complete the weld, disregarding the requirements of the qualified welding procedure.

According to the second set of welders, they completed the weld using a completely different welding procedure than was used to start the weld. They used maintenance welding procedure DB 48. This procedure differed from the 106 LT procedure that had been used to start the weld in that DB 48 was qualified under ASME IX and 106 LT was qualified under API 1104. The procedures also differed in some essential variables, including but not limited to, the filler metal, the speed of travel, and the preheat temperature. DB 48 also required the hot pass be started within 5 minutes of the root bead pass. Enbridge mixed welding procedures with different essential variables on the same weld and failed to perform the welding according to the qualified procedure.

In addition, the second set of welders that completed the weld had not qualified to weld the 106 LT procedure and stated that no readings were taken during the welding to ensure the heat input was consistent with the requirements of the qualified welding procedure.

### Proposed Civil Penalty

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. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violations and has recommended that you be preliminarily assessed a civil penalty of \$40,300.

### Proposed Compliance Order

With respect to items 1 pursuant to 49 United States Code §60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Enbridge Storage (Cushing) L.L.C. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

### Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

In your correspondence on this matter, please refer to **CPF 4-2015-5016** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

R. M. Seeley  
Director, SW Region  
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*  
*Response Options for Pipeline Operators in Compliance Proceedings*

## **PROPOSED COMPLIANCE ORDER**

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Enbridge Storage (Cushing) L.L.C. A Compliance Order incorporating the following remedial requirements to ensure the compliance of Enbridge Storage (Cushing) L.L.C. (Enbridge) with the pipeline safety regulations:

1. Related to Item Number 1 of the Notice pertaining to Enbridge failing to properly perform welding according to a qualified welding procedure with qualified welders, Enbridge must review all welding records associated with the Enbridge Cushing, OK terminal, and remove and re-weld all welds not made according to a specific, applicable, appropriate qualified welding procedure using properly qualified welders. This must include the weld performed on March 6, 2015 that is the subject of this violation. Enbridge must provide PHMSA copies of all of the welding records reviewed, weld maps showing locations of each weld, and documentation of all welds removed and re-welded including but not limited to the qualified welding procedure used, the welder qualification records, the visual inspection records, inspection records showing that the welding was performed according to the essential variables and parameters of the qualified welding procedure, and NDE records showing that no defects were present in the welds greater than allowed by API 1104 (ibr). The records must be organized so that it is clear to PHMSA which welding records apply to each weld on the weld maps.
2. Item 1 shall be submitted to PHMSA no later than 30 days from the issuance of the Final Order in this case.
3. It is requested (not mandated) that Enbridge maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to R.M Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.