U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

901 Locust Street, Suite 462
Kansas City, Missouri 64106-2641

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 27, 2020

Mr. Matthew Paul
President and Chief Operating Officer, DTE Gas
DTE Gas Company
One Energy Plaza
WCB 2377
Detroit, MI 48226

CPF 3-2020-1002M

Dear Mr. Paul:

On May 13-16, 2019, representatives 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 inspected DTE Gas Company's (DTE) procedures for operation and maintenance and integrity management at the Milford Compressor Station near Milford, MI.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within DTE plans or procedures, as described below:

1. **§192.605 Procedural manual for operations, maintenance, and emergencies.**

   (a) ...
   (b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.
   (1) . . .
   (8) Periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance and modifying the procedure when deficiencies are found.

   DTE's operation and maintenance manual did not have adequate procedures for periodically reviewing the work done by operator personnel to determine the effectiveness

and adequacy of the procedure. The procedure (Procedure 192.605(b)(8) on page 6 of the Operations Standards) did not define what DTE would do to meet this requirement and how that review would be documented. DTE's procedures must set forth a process for how DTE would conduct the periodic reviews to determine the effectiveness and adequacy of the procedures, as well as how these reviews will be documented.

2. **§192.911 What are the elements of an integrity management program?**

An operator's initial integrity management program begins with a framework (see § 192.907) and evolves into a more detailed and comprehensive integrity management program, as information is gained and incorporated into the program. An operator must make continual improvements to its program. The initial program framework and subsequent program must, at minimum, contain the following elements. (When indicated, refer to ASME/ANSI B31.8S (incorporated by reference, see § 192.7) for more detailed information on the listed element.)

(a) An identification of all high consequence areas in accordance with § 192.905.

§192.905 How does an operator identify a high consequence area?

(a) General. To determine which segments of an operator's transmission pipeline system are covered by this subpart, an operator must identify the high consequence areas. An operator must use method (1) or (2) from the definition in § 192.903 to identify a high consequence area. An operator may apply one method to its entire pipeline system, or an operator may apply one method to individual portions of the pipeline system. An operator must describe in its integrity management program which method it is applying to each portion of the operator's pipeline system. The description must include the potential impact radius when utilized to establish a high consequence area. (See appendix E.I. for guidance on identifying high consequence areas.)

DTE's procedures (Section 2.0 – Identification of High Consequence Areas (HCA)) did not consider long term construction activity within a potential impact radius (PIR) as potentially creating a high consequence area.

Long term construction activities such as the Belle River Compressor Station Project often have enough personnel to meet the definition of an identified site. DTE's procedure must be clarified to include those type of activities to ensure that all high consequence areas are addressed in DTE's written integrity management program.

3. **§192.911 What are the elements of an integrity management program?**

An operator's initial integrity management program begins with a framework (see § 192.907) and evolves into a more detailed and comprehensive integrity management program, as information is gained and incorporated into the program. An operator must make continual improvements to its program. The initial program framework and subsequent program must, at minimum, contain the following elements. (When

indicated, refer to ASME/ANSI B31.8S (incorporated by reference, see § 192.7) for more detailed information on the listed element.)
(a) . . .
(b) An identification of threats to each covered pipeline segment, which must include data integration and a risk assessment. An operator must use the threat identification and risk assessment to prioritize covered segments for assessment (§ 192.917) and to evaluate the merits of additional preventive and mitigative measures (§ 192.935) for each covered segment.

DTE's procedures (Section 4.0 Identification of Threats and Risk Assessment) did not include data integration and a risk assessment for station piping within meter, regulator, and compressor stations as well as transmission pipeline segments that extend within a station boundary. The integrity management regulation applies to these facilities and should be addressed within DTE's written integrity management program.

4. **§192.911 What are the elements of an integrity management program?**

An operator's initial integrity management program begins with a framework(see § 192.907) and evolves into a more detailed and comprehensive integrity management program, as information is gained and incorporated into the program. An operator must make continual improvements to its program. The initial program framework and subsequent program must, at minimum, contain the following elements. (When indicated, refer to ASME/ANSI B31.8S (incorporated by reference, see § 192.7) for more detailed information on the listed element.)

(a) . . .
(i) A performance plan as outlined in ASME/ANSIB31.8S, section 9 that includes performance measures meeting the requirements of § 192.945.

§192.945 What methods must an operator use to measure program effectiveness?

(a) General. An operator must include in its integrity management program methods to measure whether the program is effective in assessing and evaluating the integrity of each covered pipeline segment and in protecting the high consequence areas. These measures must include the four overall performance measures specified in ASME/ANSI B31.8S (incorporated by reference, see § 192.7 of this part), section 9.4, and the specific measures for each identified threat specified in ASME/ANSI B31.8S, Appendix A. An operator must submit the four overall performance measures as part of the annual report required by § 191.17 of this subchapter.

DTE's procedures (Section 13.0 Quality Assurance) did not include specific language on how to determine whether DTE's integrity management program is effective in assessing and evaluating the integrity of each covered pipeline segment. The procedure lacked guidance on what this evaluation includes and how this evaluation is documented. DTE's procedures must define how they are going to measure program effectiveness in accordance with §192.945 and what records will be used to document this process.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within [number of days] days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that DTE Gas Company maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Allan C. Beshore, Director, Central Region OPS, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2020-1002M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

Cc: Ms. Renee Tomina, Vice President of Gas Operations, DTE Gas Company, One Energy Plaza, WCB 1718, Detroit, MI 48226