

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: chris.zona@dtmidstream.com; patrick.raichel@dtmidstream.com

March 15, 2024

Mr. Christopher Zona,
Chief Operating Officer
DTM Gas Storage Company
500 Woodward Ave., 29th Floor
Detroit, MI 48226

CPF 3-2024-025-NOA

Dear Mr. Zona:

From July 10 through July 14, 2023, representatives of the Michigan Public Service Commission, acting as an interstate agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected DTM Gas Storage Company's (DTM) procedures for operation and maintenance.

As a result of the inspection, PHMSA has identified the apparent inadequacies found within DTM's plans or procedures. The items inspected and the inadequacies are described below:

1. **§ 192.505 Strength test requirements for steel pipeline to operate at a hoop stress of 30 percent or more of SMYS.**
 - (a)
 - (d) **For fabricated units and short sections of pipe, for which a post installation test is impractical, a preinstallation strength test must be conducted by maintaining the pressure at or above the test pressure for at least 4 hours.**

DTM's specification "MS-ENG-040, Section 17 – Pressure Testing" was inadequate because it did not appropriately define "short sections of pipe" or when "a post installation test is impractical." Per DTM's specification, piping assemblies were to be tested in place as much as practical, but the procedure allowed up to seven tie-in welds per system (as defined by DTM) or more, if approved by Company Engineering. The procedure also defined "short sections of pipe" to be sections of pipe up to 500 feet long. DTM's specification "MS-ENG-040, Section 17 – Pressure Testing" required modification to properly describe the maximum number of welds and maximum

allowable length of pipe for preinstallation pressure testing, so that it is clear when a post-installation hydrostatic test becomes necessary.

DTM must amend its written procedures to comply with the requirements of § 192.505(d), in accordance with § 192.13(c).

2. § 192.905 How does an operator identify a high consequence area?

(a)

(c) *Newly identified areas.* When an operator has information that the area around a pipeline segment not previously identified as a high consequence area could satisfy any of the definitions in § 192.903, the operator must complete the evaluation using method (1) or (2). If the segment is determined to meet the definition as a high consequence area, it must be incorporated into the operator's baseline assessment plan as a high consequence area within one year from the date the area is identified.

DTM's procedures for newly identified segments or new high consequence areas (HCA) did not indicate that those locations would be incorporated into the baseline assessment plan (BAP) within a year of the date of identification. The process for newly found HCAs to be incorporated into the BAP must be addressed as required by § 192.911(a).

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

(a)

(l) A quality assurance process as outlined in ASME/ANSI B31.8S, section 12.

DTM's quality assurance plan did not meet the requirements of ASME/ANSI B31.8S section 12. Specifically, the plan did not have any documentation requirements for its internal audits for quality assurance. Section 12 of ASME/ANSI B.31.8S requires that "corrective actions to improve the integrity management program or quality plan shall be documented and the effectiveness of their implementation monitored." Section 192.911(I) requires that procedures for this requirement be addressed within the quality assurance plan.

4. § 192.915 What knowledge and training must personnel have to carry out an integrity management program?

(a)

(b) *Persons who carry out assessments and evaluate assessment results.* The integrity management program must provide criteria for the qualification of any person -

(1)

(2) Who reviews and analyzes the results from an integrity assessment and evaluation;

DTM's procedures for assessments, via a pressure test, did not define the criteria for the qualification of the person who reviews and analyzes the results from an integrity assessment evaluation. DTM's Procedure 903.2 addressed the pressure test assessment methods, but did not specify who evaluates the results of the pressure tests and what qualification they require. Although the procedure did reference DTM's O&M Procedure 501, which required that an integrity engineer must be involved, the procedure still failed to include any requirements defining

what those criteria for that engineer must be or that engineer's responsibility. A process for defining the responsibility and the qualifications of individuals reviewing those tests must be addressed in the procedures as required by § 192.907(a).

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 Enforcement 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 30 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 that DTM maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Gregory A Ochs, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2024-025-NOA** and, for each document you submit, please provide a copy in electronic format, whenever possible.

Sincerely,

Gregory A Ochs
Director, Central Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings

cc: Patrick Raichel (patrick.raichel@dtmidstream.com)