

JUN 12 2015

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June 11, 2015

Mr. Allen C, Beshore
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Suite 462
Kansas City, Missouri 64106-2641

Re: **Notice of Probable Violation with Proposed Civil Penalty
Case Number CPF 3-2015-1004**

Dear Mr. Beshore:

DTE Gas Company (DTE Gas) acknowledges receipt of your letter of May 11, 2015, regarding findings by representatives of the Michigan Public Service Commission (MPSC) acting as an interstate agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), during an inspection of records and facilities for the Vector/DTE pipeline in Michigan during December, 2014.

DTE Gas does not contest the findings described in the Notice of Probable Violation and hereby submits our response to each of the three items listed in the Notice as probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The findings listed in the Notice are shown below in italics:

Item 1: Probable Violation of § 192.465, External Corrosion Control: Monitoring.
(d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.

(DTE did not take prompt remedial actions when the wires for Test Point 109 and 109.5 at a foreign line crossing were found broken on November 24, 2010. Review of the cathodic protection records found that no remedial action was documented for 2011 or 2012. On October 25, 2013, the annual test point readings showed the wires were repaired.)

DTE Gas Response

DTE Gas does not contest the findings listed in Item 1 of the PHMSA Notice. However, DTE Gas would like to clarify certain facts and respectfully requests these clarifications be taken into consideration by PHMSA in the Final Order. DTE Gas believes these clarifying facts should reduce or mitigate the Civil Penalty being preliminarily assessed by PHMSA for Item 1.

DTE Gas has confirmed the wires for Test Points 109 and 109.5 were found broken in November 2010 and not repaired until 2013. Although we cannot confirm or prove through testing that interference to our pipeline did not take place in the interim, we have confirmed that the operator of the foreign line converted from an impressed-current cathodic protection system using rectifiers to a system incorporating sacrificial anodes. Sacrificial anodes are incapable of generating enough electric current to cause interference to our pipeline. Results of our testing at Test Points 109 and 109.5 prior to the wires being broken and subsequent to their repair clearly demonstrate there has been no detrimental interference occurring on our pipeline. Testing at other points along our pipeline during this period demonstrated that the level of cathodic protection was maintained.

Item 2: Probable Violation of § 192.709, Transmission lines: Record keeping.

(c) A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer.

(DTE did not provide any inspection records for 2010, 2011, and 2012 for the Operator/Monitor regulators located at the Belle River Station. DTE's 2010 annual report shows that they were the operators of the line in 2010. DTE personnel indicated that the inspections were probably done, but they had no records of the inspections. Additionally, while reviewing the mainline valve inspection reports, it was noted that DTE personnel did not document that Valve F5 was operated in 2010 and F11 was operated in 2012.)

DTE Gas Response

DTE Gas does not contest the findings listed in Item 2 of the PHMSA Notice. However, DTE Gas would like to clarify certain facts and respectfully requests these clarifications be taken into consideration by PHMSA in the Final Order. DTE Gas believes these facts as clarified should reduce or mitigate the Civil Penalty being preliminarily assessed by PHMSA for Item 2.

DTE Gas has confirmed that inspection records for 2010, 2011, and 2012 for several pressure regulators at our Belle River Mills compressor station cannot be located and, therefore, we cannot prove that the inspections were completed. Likewise, DTE Gas cannot prove that Valves F5 and F11 were operated in 2010 and 2012, respectively. DTE Gas would like to point out that Valve F11 is located on a pig receiver, and that valves used in applications such as this are not considered useful in the event of a pipeline emergency. DTE Gas requests that the lack of a routine operational check of Valve F11 be considered optional rather than mandated under § 192.745, negating the need for records of those checks under § 192.709.

In 2012, DTE Gas received a Notice of Probable Non-Compliance (Notice 199211) covering these issues from the MPSC. In response to the MPSC Notice, DTE Gas implemented a Work Management System (WMS) to track valve inspection requirements and forestall missed inspections going forward. Since the 2012 implementation of the WMS, we are maintaining recoverable records of valve maintenance along the DTE/Vector pipeline. DTE Gas believes this corrective action in response to MPSC Notice 199211 effectively addressed those pipeline safety compliance issues. Since DTE Gas has already been cited for these findings by the MPSC, DTE Gas does not believe we should be cited again by PHMSA for the same findings.

- Item 3: Probable Violation of § 192.921, How is the baseline assessment to be conducted?**
- (a) *Assessment methods.* An operator must assess the integrity of the line pipe in each covered segment by applying one or more of the following methods depending on the threats to which the covered segment is susceptible. An operator must select the method or methods best suited to address the threats identified to the covered segment (see § 192.917).**
- (1) Internal inspection tool or tools capable of detecting corrosion, and any other threats to which the covered segment is susceptible. An operator must follow ASME/ANSI B31.8S (incorporated by reference, see § 192.7), section 6.2 in selecting the appropriate internal inspection tools for the covered segment.** *(DTE did not follow ASME/ANSI B31.8S Section 6.2.5(b)(5) which indicates that “flow rate of the gas will influence the speed of the ILI tool inspection. If speeds are outside of the normal ranges, resolution can be compromised. Total time of inspection is dictated by inspection speed, but is limited by the total capacity of batteries and data storage available on the tool. High temperatures can affect tool operation quality and should be considered.” On the Milford to Belle River Loop (F) in-line inspection tool (ILI) run, DTE’s ILI speed exceeded the recommended specifications for that tool.)*

DTE Gas Response

DTE Gas has reviewed PHMSA’s findings and has re-examined the results of the ILI tool inspection performed at speeds exceeding the speed for which the tool had been calibrated. DTE Gas has held additional conversations with the ILI tool vendor for the 2013 ILI run and discussed the results of the validation digs and the impact of the tool speed on the data quality. The ILI tool vendor has stated that the data recorded during the Magnetic Flux Leakage (MFL) tool run was of acceptable quality. Even though the ILI tool had been calibrated for speeds between 0.33 and 9.84 feet per second (fps) and the average tool speed for the run was 10.07 fps with a maximum of 14.40 fps, the ILI tool vendor determined that this higher tool speed did not hinder the identification of anomalies that were present in the line at the time of the run. The ILI

tool vendor has concluded that the 2013 report conservatively reported the anomalies that were present in the pipeline at the time of the survey.

We have reviewed our Standard Work Instruction for performing ILI assessments and will add actions required to be taken when the actual MFL tool speed during the ILI run is greater than that recommended by the manufacturer.

DTE Gas requests that PHMSA consider the clarifying facts described above in the Final Order to be issued relating to these findings, and when assessing the Civil Penalties under Items 1 and 2.

Please contact Robert Freckelton at 313.389.7755 if you have any questions or require additional information regarding this matter.

Sincerely,



Alida Sandberg

c. D. Chislea, MPSC