Enbridge Pipelines (U.S.), Inc.
119 N 25th Street E
Superior, WI 54880
www.enbridgepartners.com

Jay Johnson, Supervisor
US Pipeline Compliance
Tel: (715) 394-1512
jay.johnson@enbridge.com

ENBRIDGE

April 17, 2012

Mr. David Barrett
Director, Central Region
Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Room 462
Kansas City, MO 64106-2641

RE: CPF 3-2012-1001W

Dear Mr. Barrett:

On August 15-18 and October 24-27, 2011, representatives of the Michigan Public Service Commission (MI-PSC) acting as an interstate agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected facilities for Vector Pipeline L.P. (Vector) within the state of Michigan. Enbridge, as operator of the Vector facilities, is responding to the Warning Letter received March 19, 2012 resulting from these inspections. Enbridge does not contest these findings and intends to correct the items identified as noted in the following responses to each item below.

PHMSA Finding

1. ***§192.603 General provisions***

   (b) Each operator shall keep records necessary to administer the procedures established under §192.605.

   §192.459 External corrosion control: Examination of buried pipeline when exposed.

   Whenever an operator has knowledge that any portion of a buried pipeline is exposed, the exposed portion must be examined for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated. If external corrosion requiring remedial action under Secs. 192.483 through 192.489 is found, the operator shall investigate circumferentially and longitudinally beyond the exposed portion (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the exposed portion.

   Vector did not document the external examination of the 30" and 36" lines when they were exposed during the Highland Compressor Station project in 2009.

   The 2009 project was for re-configuring the compressor station piping. Vector personnel indicated that they did the inspection, but were unable to provide any documentation that the inspection was conducted.

Enbridge Response

Enbridge provides direction for completing external examination of exposed piping within the O&MP, Book 3; 08-02-01. However we don't provide similar direction in the Construction Specifications and as this work was completed by contractors the requirement wasn't clearly stated. A change will be made to the Specifications to remedy this oversight.

PHMSA Finding

2. ***§192.603 General provisions***

(b) Each operator shall keep records necessary to administer the procedures established under §192.605.

§192.475 Internal corrosion control: General.

(b) Whenever any pipe is removed from a pipeline for any reason, the internal surface must be inspected for evidence of corrosion.

Vector did not document the internal examination of the 30" and 36" lines when they were exposed and cut open during the Highland Compressor Station project in 2009.

The 2009 project was for re-configuring the compressor station piping. Vector personnel indicated that they did the internal inspections, but were unable to provide any documentation that the inspections were completed.

Enbridge Response

Enbridge provides direction for completing internal corrosion examination of any pipe removed from the line and the internal surface of the adjacent exposed piping within the O&MP, Book 3; 06-03-02 and 08-02-01. However we don't provide similar direction in the Construction Specifications and as this cut out was completed by contractors the requirement wasn't clearly stated. A change will be made to the Specifications to remedy this oversight.

PHMSA Finding

3. ***§192.709 Transmission lines: Record keeping.***

Each operator shall maintain the following records for transmission line for the periods specified:

(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.

Vector personnel did not document the annual inspection of emergency valve LBDV -23 at Milford Junction for 2009 and 2010. Additionally, at Washington Station, the unit blow down valves (UBV 106 & 206), the unit suction valves (USV 101 & 201), and the unit discharge valves (UDV 102 & 202,) also did not have any documentation of being inspected.

Vector personnel indicated that the valve at Milford Junction was being inspected, but could not provide the documentation. Vector also maintained that the valves at the

Washington Station were being inspected during their annual emergency shut-down test (ESD), but could not provide any documentation to show that those valves operated during the ESD test.

Enbridge Response

During annual ESD testing, Vector technical staff, operate and maintain all of the serviceable valves greater and equal to 2 inch nominal pipe size within the facility per Enbridge requirements. Future documentation will include the valves identified in the Emergency Valve List.

PHMSA Finding

4. §192.481 Atmospheric corrosion control: Monitoring.

(b) During inspections the operator must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.

At the Highland Station, Vector did not conduct an evaluation of the soil to air interface for 2011 where the suction and discharge piping go through the foundation wall and into the soil. Additionally, Vector has not been monitoring and documenting the inspection of the above ground insulated piping that have inspection ports.

In 2008, the MI-PSC discussed their concerns about the inspections at these locations to Vector personnel. As a result, Vector excavated these locations and completed a guided wave evaluation on the piping and reportedly found no defects. In order to conduct future examinations, Vector made an attempt to install rubber boots between the exterior of the foundation wall, and the pipe, which would allow inspection of the interface. However, upon backfilling the locations, the rubber boot collapsed and there was no way to observe the interface. Vector personnel should make repairs to these locations in order to evaluate the locations effectively.

Vector also has above ground stainless steel piping that is insulated for noise abatement purposes. In order to facilitate the atmospheric corrosion inspection, Vector personnel installed inspection ports to monitor for any possible corrosion. To date, Vector has not inspected this installation.

Enbridge Response

A guided wave analysis was attempted on August 24, 2010; however harmonics from the operating compressors interfered with the data gathering aspects of the guided wave instrumentation. In response, an outage was identified and another guided wave analysis was performed in November of 2010. This analysis provided an indication of something either in contact or close proximity of the through-wall piping. As this information was inconclusive to determine if any measureable corrosion was present, the decision was made to excavate. The excavation took place in May of 2011. In each through-wall examination, the excavation revealed an oversized pipe opening installed in the concrete during construction for pipe routing. In one case, this pipe opening was physically touching the carrier pipe as it extended past the face of the concrete. The pipe was cut back and an examination of the piping conducted. There was no evidence of corrosion or damage to the carrier pipe. This was consistent with all 4 through-wall penetrations.

The insulated stainless steel piping in question is not in jeopardy of corrosion by the nature of the material. However, because inspection ports have been installed they will be included in future atmospheric corrosion inspections.

If you have any questions regarding Enbridge's response, please feel free to contact me directly at (715) 394-1512.

Respectfully,

Jay A. Johnson

cc: Mark Maki, Enbridge
John Gauderman, Enbridge
John Donaldson, Vector Pipeline L.P
Belinda Friis, Vector Pipeline, L.P.