



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

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

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 19, 2012

Mr. Mark Maki
Sr. Vice President
Vector Pipeline, L.P.
1100 Louisiana
Suite 3300
Houston, TX 77002

CPF 3-2012-1001W

Dear Mr. Maki:

On August 15-18, October 24-27, 2011 and January 16-18, 2012, 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 your facilities for Vector Pipeline L.P. (Vector) within the state of Michigan.

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 violation(s) are:

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.

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.

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.

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.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Vector Pipeline, L.P. being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to CPF 3-2012-1001W. 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).

Sincerely,

A handwritten signature in black ink, appearing to read 'D. A. Barrett', written over a horizontal line.

David Barrett
Director, Central Region
Pipeline and Hazardous Materials Safety Administration