

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 21, 2010

Mr. Terry McGill, President
Enbridge Energy Partners, L.P.
1100 Louisiana, Suite 3300
Houston, Texas 77002

CPF 3-2010-5002W

Dear Mr. McGill:

On October 6-8, 2008, October 28, 2008, and January 21-22, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your facilities associated with the Griffith Unit in Griffith, Indiana, and surrounding locations.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

1. 195.579 What must I do to mitigate internal corrosion?

(b) Inhibitors. If you use corrosion inhibitors to mitigate internal corrosion, you must--

- (1) Use inhibitors in sufficient quantity to protect the entire part of the pipeline system that the inhibitors are designed to protect;**
- (2) Use coupons or other monitoring equipment to determine the effectiveness of the inhibitors in mitigating internal corrosion; and**
- (3) Examine the coupons or other monitoring equipment at least twice each calendar year, but with intervals not exceeding 7 1/2 months.**

Internal corrosion monitoring was discontinued on the five hydrogen permeation monitors (Beta Foils) installed on Line 6B. Two manually-interrogated monitors were discontinued in May 2006. One remotely-interrogated monitor was discontinued in January 2006, and the other two remotely-interrogated monitors were discontinued in October 2007. Enbridge representatives stated the monitoring was discontinued due to “communication/instrumentation problems.”

Enbridge is in the process of implementing an alternative method of internal corrosion monitoring on Line 6B utilizing a technology referred to as Electrical Resistance Tomography (FSM-IT), however, it is not expected to be implemented on Line 6B until sometime during the first half of 2010. In the interim, Enbridge provided the following information as demonstration that the internal corrosion threat is being properly managed:

- a comprehensive report related to the internal corrosion mitigation and monitoring program for their heavy oil pipeline system
- repair sleeve installations (which require circumferential non-destructive testing)
- inspection of the Line 6B Pig Sending Trap at Griffith Station (which included ultrasonic inspection of the trap floor between the 5:00 and 7:00 positions)
- detailed pipe examinations at in-line inspection indications
- records for a weight loss coupon at the Stockbridge Pumping Station (Line 17), which sees only fluid flow from Line 6B

The information provided does not demonstrate compliance with the above regulation. Line 6B has been subject to a batch chemical treatment program to inhibit internal corrosion for several years. As required by 195.579(b), Line 6B must have coupons or other monitoring equipment to determine the effectiveness of the inhibitor program, and the coupons or other monitoring equipment must be examined at least twice each calendar year, at intervals not to exceed 7-1/2 months. PHMSA acknowledges the positive steps being taken to improve Enbridge’s internal corrosion mitigation and monitoring program. However, the transition from one technology to another must be implemented in a manner that ensures continued compliance with the regulations.

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 identified in this letter. Failure to do so will result in Enbridge 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 3-2010-5002W**. 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,

Ivan A. Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration