



U.S. Department  
Of Transportation  
**Pipeline and  
Hazardous Materials  
Safety Administration**

820 Bear Tavern Road, Suite 103  
West Trenton, NJ 08628  
**609.989.2171**

## NOTICE OF AMENDMENT

### EXPRESS OVERNIGHT MAIL

April 21, 2011

Mr. Andy Drake  
Vice President of Transmission Services  
Spectra Energy Transmission, LLC  
5400 Westheimer Court  
Houston, TX 77056

**CPF 1-2011-1004M**

Dear Mr. Drake:

Between August 31 and October 21 of 2010, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Spectra Energy Transmission, LLC's (Spectra) procedures for the Gas Integrity Management Program in Houston, TX.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Spectra's plans or procedures, as described below:

#### **1. Preventive and Mitigative Measures**

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

**(h) Provisions meeting the requirements of § 192.935 for adding preventive and mitigative measures to protect the high consequence area.**

**§192.935 What additional preventive and mitigative measures must an operator take?**

**(a) General requirements.** An operator must take additional measures beyond those already required by Part 192 to prevent a pipeline failure and to mitigate the consequences of a pipeline failure in a high consequence area. An operator must base the additional measures on the threats the operator has identified to each pipeline segment. (See § 192.917) An operator must conduct, in accordance with one of the risk assessment approaches in ASME/ANSI B31.8S (incorporated by reference, see § 192.7), section 5, a risk analysis of its pipeline to identify additional measures to protect the high consequence area and enhance public safety. Such additional measures include, but are not limited to, installing Automatic Shut-off Valves or Remote Control Valves, installing computerized monitoring and leak detection systems, replacing pipe segments with pipe of heavier wall thickness, providing additional training to personnel on response procedures, conducting drills with local emergency responders and implementing additional inspection and maintenance programs

Spectra's Integrity Management Program did not define a systematic, documented decision-making process to determine which preventive and mitigative measures are to be implemented for specific High Consequence Area (HCA) segments.

Based on Spectra's *Integrity Management Program Manual Chapter 16, Rev. 2, 7/28/2010*, Spectra did not describe a process for preventive and mitigative (P&M) measures to address the threats identified in a specific HCA segment by the risk analysis. In addition, Spectra's *Integrity Management Program Manual Chapter 16, Rev. 2, 7/28/2010* did not include the implementation of the considered measures, basis for decisions, and schedule for the implementation of the measures for specific HCA segments; also a means of documenting.

## 2. Quality Assurance

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

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

**§192.907 What must an operator do to implement this subpart?**

**(b) Implementation Standards.** In carrying out this subpart, an operator must follow the requirements of this subpart and of ASME/ANSI B31.8S (incorporated by reference, see § 192.7) and its appendices, where specified. An operator may follow an equivalent standard or practice only when the operator demonstrates the alternative standard or practice provides an equivalent level of safety to the public and property. In the event of a conflict between this subpart and ASME/ANSI B31.8S, the requirements in this subpart control.

Spectra did not ensure that the "should" statements from industry standards that are invoked by Subpart O were addressed in its *Integrity Management Program Manual Chapter 16, Rev. 2, 7/28/2010*, nor does it identify how alternative implementation methods or a basis for not implementing the "should" statements are to be documented.

Response to this Notice

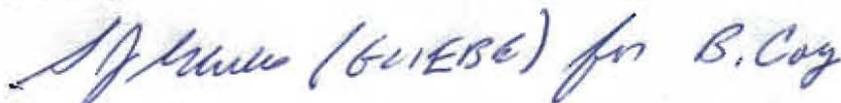
This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit 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). 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 a Final Order.

If, after opportunity for a hearing, 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. § 190.237). 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 (not mandated) that Spectra maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Byron Coy, Director, Eastern, Pipeline and Hazardous Materials Safety Administration.

Please send correspondence concerning this matter to Mr. Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, New Jersey 08628 and refer to **CPF 120111004M**. For each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in blue ink that reads "Byron Coy (60111004M) for B. Coy".

Byron Coy, PE  
Director, Eastern Region  
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*