



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

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

WARNING LETTER

OVERNIGHT EXPRESS MAIL

April 21, 2011

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

CPF 1-2011-1005W

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.

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. Direct Assessment Plan

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

(d) A direct assessment plan, if applicable, meeting the requirements of § 192.923, and depending on the threat assessed, of § § 192.925, 192.927, or 192.929.

§192.927 What are the requirements for using Internal Corrosion Direct Assessment (ICDA)?

(c) The ICDA plan. An operator must develop and follow an ICDA plan that provides for preassessment, identification of ICDA regions and excavation locations, detailed examination of pipe at excavation locations, and post-assessment evaluation and monitoring. (3) Identification of locations for excavation and direct examination. An operator's plan must identify the locations where internal corrosion is most likely in each ICDA region. In the location identification process, an operator must identify a minimum of two locations for excavation within each ICDA Region

within a covered segment and must perform a direct examination for internal corrosion at each location, using ultrasonic thickness measurements, radiography, or other generally accepted measurement technique. One location must be the low point (e.g., sags, drips, valves, manifolds, dead-legs, traps) within the covered segment nearest to the beginning of the ICDA Region. The second location must be further downstream, within a covered segment, near the end of the ICDA Region. If corrosion exists at either location, the operator must-

Spectra's ICDA plan did not identify a minimum of two locations for excavation within each ICDA Region within a covered segment. The pipeline safety regulations define a 'covered segment' as a "segment of gas transmission pipeline located in a high consequence area."¹

Although Spectra's ICDA plan provided identification of the locations where internal corrosion is most likely in each ICDA region, pursuant to §192.927, the location identification process must identify a minimum of two locations for excavation within each ICDA Region within a covered segment. One location must be the low point (e.g., sags, drips, valves, manifolds, dead-legs, traps) within the covered segment nearest to the beginning of the ICDA Region. The second location must be further downstream, within a covered segment, near the end of the ICDA Region. Based on a review of the configuration of Algonquin Line F-1 shown on the *Dig Map* and *F-System & Algonquin Line F-1 ICDA Report*, in October 2007 Spectra excavated two locations and had performed a direct examination for internal corrosion at each location. However, one excavation was within a High Consequence Area (HCA) and another was outside a HCA.

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 Spectra being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, please address your correspondence to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Rd, Suite 103, W. Trenton, NJ, 08628 and please refer to **CPF 1-2011-1005W**. 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,

Signature for B COY (GLIEBE)

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

¹ 49 C.F.R. §192.903