



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

OVERNIGHT EXPRESS DELIVERY

August 31, 2015

J. Andrew Drake
Vice President, Operations & EHS
Algonquin Gas Transmission Co. (Spectra Energy Corp)
5400 Westheimer Court
Houston, TX 77056

CPF 1-2015-1021M

Dear Mr. Drake:

From July 6 to 10, 2015, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code inspected Algonquin Gas Transmission's (a subsidiary of Spectra Energy Corp) (Spectra) procedures for operations and maintenance 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. §192.605 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(c) Abnormal operation. For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:

(4) Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.

Spectra's procedures in its manual of operations and maintenance for periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action when deficiencies are found were inadequate.

Spectra's written procedure *SOP Administration, 01/27/2012*, outlines the organization of its Standard Operating Procedures (SOPs) on pages 1-9. Page 17 of this SOP includes a section on Annual Review of "SOPs relating to operation, maintenance, emergency response and response to abnormal operations..."

SOP Administration also includes a section titled "Review of Work Performed" on pages 17 and 18. This section specifies that, "A periodic review of the work performed by operating personnel will be conducted to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance." This meets the requirements of §192.605(b)(8) for maintenance and normal operations, and is applicable to those procedures.

This procedure does not contain any requirements regarding a similar periodic review of the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action when deficiencies are found, as required by §192.605(c)(4). The documentation of the review of the operator personnel response to abnormal operations is accomplished through the use of Spectra's Form 7T-06 Response to Abnormal Operations record, but this process is not explained in the procedures provided by Spectra.

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 60 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, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628 , Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 1-2015-1021M** and, for each document you submit, please provide a (signed) copy in electronic format whenever possible. Smaller files may be emailed to Byron.Coy@dot.gov. Larger files should be sent on a CD accompanied by the original (signed) paper copy to the Eastern Region Office.

Sincerely,

A handwritten signature in blue ink, appearing to read "Byron Coy".

Byron Coy, P.E.
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

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