



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

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NOTICE OF AMENDMENT

OVERNIGHT EXPRESS MAIL

June 13, 2011

J. Andy Drake
Vice President, Transmission Services
Spectra Energy Transmission, LLC
5400 Westheimer Court
Houston, Texas 77056

CPF 1-2011-1012M

Dear Mr. Drake:

During the week of November 29, 2010, representatives 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) Operating and Maintenance Procedures in Houston, Texas.

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 one 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.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(3) Making construction records, maps, and operating history available to appropriate operating personnel.

On page 4 of the *Operations and Maintenance Plan*, Spectra stated it may “revise and or issue required revisions of maps and schematics within a time frame which is both expeditious and ensures the Company personnel continue to operate the pipeline safely.” Therefore, Spectra failed to specify a time frame in meeting this requirement.

2. §192.613 Continuing surveillance.

(a) Each operator shall have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions.

During the inspection, a PHMSA representative requested Spectra to provide its continuing surveillance procedures. Spectra provided a copy of its *Standard Operating & Maintenance Procedures 1-6040, Aerial Pipeline Patrol*. The procedure only addressed aerial surveillance, which did not adequately address the surveillance of all risk elements prescribed in §192.613(a).

3. §192.615 Emergency plans.

(a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:

(1) Receiving, identifying, and classifying notices of events which require immediate response by the operator.

Spectra’s *Standard Operating & Maintenance Procedures 5-2010* was inadequate because the procedure failed to state the individual(s) responsible for the task and the methodology employed in meeting the requirements in the local Emergency Plans.

4. §192.615 Emergency plans.

(a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:

(4) The availability of personnel, equipment, tools, and materials, as needed at the scene of an emergency.

Spectra’s *Standard Operating & Maintenance Procedure 5-2010* was inadequate because the emergency plan failed to specify which equipment would be available at a site-specific facility and which would be required from contractors in the event of an emergency. Subsequently, Spectra failed to provide a list of contractors’ name and contact number in the local Emergency Plans.

5. §192.615 Emergency plans.

(a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:

(6) Emergency shutdown and pressure reduction in any section of the operator’s pipeline system necessary to minimize hazards to life or property.

Spectra's *Standard Operating & Maintenance Procedure 5-2010* was inadequate because the emergency plan failed to provide necessary steps pertaining to pressure reduction utilized as a tool to minimize hazards to life and property.

6. §192.615 Emergency plans.

(a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:

(8) Notifying appropriate fire, police, and other public officials of gas pipeline emergencies and coordinating with them both planned responses and actual responses during an emergency.

Spectra's *Standard Operating & Maintenance Procedure 5-2010* failed to adequately describe the notification and communication process with fire, police and other public officials during an emergency; that included the circumstances in which they would be contacted and utilized in evacuating and isolating hazardous sites, rerouting vehicular traffic, and shutting down a segment of railroad that parallels a pipeline.

7. §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 one 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.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

Spectra's *Standard Operating & Maintenance Procedure 9-4030, 9-4040 and 9-4050* was inadequate because the procedures failed to define which conditions deemed a pipeline unsafe. Also, there was no time period for mitigation of a pipeline segment that the operator deemed unsafe, as prescribed in §192.703(b).

8. §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 one 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.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

Spectra's *Standard Operating & Maintenance Procedure 9-4030, 9-4040 and 9-4050* was inadequate because the procedures failed to define hazardous leaks and specify a timetable to perform repair(s) for hazardous leaks, as prescribed in 192.703(c).

9. §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 one 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.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

Spectra's *Standard Operating & Maintenance Procedure 1-5020* was inadequate because the procedure failed to require a time period to repair or replace a line marker in accordance with §192.707(a)(1) and (2).

10. §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 one 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.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

Spectra's *Standard Operating & Maintenance Procedure 5-6020 and 5-7010* was inadequate because the procedure failed to provide additional guidance during the annual inspection of relief valves, particularly pressure build-up of each relief valve to achieve full open status on the pipeline system in the determination of the relief valve set point, in accordance with §192.739(a)(3).

11. §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 one 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.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

As prescribed in §192.743(b), after the initial capacity calculations, subsequent calculations need not be made if the annual review documents that parameters have not changed to cause the rated or experimentally determined relieving capacity to be sufficient. Spectra's *Standard Operating & Maintenance Procedure 5-6010* was inadequate because the procedure failed to specify the documentation requirement when the parameters are unchanged.

12. §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 one 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.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

Spectra's *Standard Operating & Maintenance Procedure 5-5010* was inadequate because the procedure did not define the word "prompt" pertaining to remediation of any valve found inoperable, in accordance with §192.745(b).

13. §192.225 Welding Procedures.

(a) Welding must be performed by a qualified welder in accordance with welding procedures qualified under section 5 of API 1104 (incorporated by reference, see §192.7) or section IX of the ASME Boiler and Pressure Vessel Code "Welding and Brazing Qualifications" (incorporated by reference, see §192.7) to produce welds meeting the requirements of this subpart. The quality of the test welds used to qualify welding procedures shall be determined by destructive testing in accordance with the applicable welding standard(s).

(b) Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.

Spectra's *Standard Operating & Maintenance Procedure Volume 7 – Welding Section Number: 5 Section 5.13* pertaining to welding procedures was inadequate because the procedure failed to provide any details in the training and experience required of those individuals who perform visual inspection of welds, as prescribed in 192.241(a)(1) and (2).

14. §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 one 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.

(b) **Maintenance and normal operations.** The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(2) **Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part.**

Spectra's *Standard Operating & Maintenance Procedure 2-2160* was inadequate because the procedure failed to require that each electrically insulating type of external coating must also have low moisture absorption and high electrical resistance, as prescribed in §192.461(b).

15. §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 one 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.

(b) **Maintenance and normal operations.** The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(2) Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part.

Spectra's *Standard Operating & Maintenance Procedure 2-2160 and 2-2180* was inadequate because the procedure failed to address the risk of damage to coating of a pipe from excessive cathodic protection, as prescribed in §192.463(c).

16. §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 one 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.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(2) Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part.

Pursuant to §192.469, an operator must have each pipeline under cathodic protection required by this subpart, have sufficient test stations or other contact points for electrical measurement to determine the adequacy of cathodic protection.

Spectra's *Standard Operating & Maintenance Procedure 2-2180*, required test stations to be placed at intervals less than a mile. Spectra failed to suggest vulnerable points which become apparent from Close-Interval Survey (CIS) or In-Line Inspection (ILI) runs or more obvious locations which could promote corrosion activity.

17. §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 one 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.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(2) Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part.

Spectra's *Standard Operating & Maintenance Procedure 2-5020* was inadequate because the procedure failed to require a time frame to remediate atmospheric corrosion, after atmospheric corrosion is determined to need remediation, as prescribed in §192.481(c).

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. Please send your response to Mr. Byron Coy, Director, PHMSA Eastern Region, 820 Bear Tavern Rd, W. Trenton, NJ, 08628. 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 Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 1-2011-1012M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

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