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J. A. (Andy) Drake, P.E.
Vice President
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January 17, 2014

Mr. Byron Coy
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
820 Bear Tavern Road
Suite 103
West Trenton, New Jersey 082628

**Re: Spectra Energy Corporation
Notice of Amendment Letter
CPF 1-2013-1021M**

Dear Mr. Coy:

From May 10, 2011 to May 12, 2011, representatives of the Pipeline and Hazardous Materials Safety Administration ("PHMSA"), Eastern Region, Office of Pipeline Safety, inspected the procedures relating to the Spectra Energy Corporation's External Communication Plan. On the basis of the inspection, PHMSA identified six (6) apparent deficiencies in the plan, and issued a Notice of Amendment ("NOA") dated November 7, 2013. This letter is Spectra Energy's response to the NOA.

Spectra Energy has reviewed the issues raised in the NOA, and will not be contesting any of PHMSA's findings. Several of the required revisions to the External Communication Plan have already been made. Several significant revisions will still be required to address the remaining findings of this NOA and the findings of the associated Notice of Probable Violation and Proposed Compliance Order CPF 1-2013-1022. Therefore, Spectra Energy respectfully requests an extension to the date for submittal of a revised External Communication Plan until **March 31, 2014**, and requests PHMSA to issue written confirmation that the time extension has been granted.

1. §192.616 Public Awareness

(a) Except for an operator of a master meter or petroleum gas system covered under paragraph (j) of this section, each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, *see* § 192.7).

PHMSA Finding

Spectra's written continuing public education program, *External Communication Plan*, was inadequate because it failed to reference the API RP 1162 edition, as seen in § 192.7.

Spectra Energy Response

Spectra Energy acknowledges the External Communication Plan referred to API RP 1162 but did not specify the first edition. At the time the Plan was written, and up until (5) months before the DOT inspection, there existed only one edition. The External Communication Plan was revised in 2011 to reflect the first edition of API RP 1162, as Spectra Energy understands the second edition has not yet been adopted by PHMSA.

2. §192.616 Public Awareness.

(a) . . .

(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

PHMSA Finding

Spectra's written continuing public education program, *External Communication Plan*, was inadequate because it failed to follow the general recommendations of API RP 1162 Section 4.12 and assess the unique attributes and characteristic of its pipeline and facilities.

API RP 1162 Section 4.12 Facility Purpose states:

Where appropriate, communication with the affected public and emergency and public officials in proximity to major facilities (such as storage facilities, compressor or pump stations) should include information to promote understanding of the nature of the facility. Operators should communicate general information regarding the facility and product(s) stored or transported through the facility.

The *External Communication Plan* did not identify all of Spectra's pipeline assets. The *External Communication Plan* did not include two of Spectra's business units: Steckman Ridge, LP (OP ID 32380) and Bobcat Gas Storage (OP ID 32396). Furthermore, the *External Communication Plan* and brochures are inconsistent because they reference different names for one business unit – the plan referenced Moss Bluff Hub Partners, LP and the brochure that was mailed to the affected public and emergency and public officials referenced Moss Bluff- Market Hub Partners.

Spectra Energy Response

Spectra Energy recognizes that the External Communication Plan did not include two business units and referenced a slightly different name for one of the business unit. The External Communication Plan was revised in 2011 to include the two business units Steckman Ridge, LP (OP ID 32380) and Bobcat Gas Storage (OP ID 32396). The External Communication Plan will be reviewed and revised, as necessary, for consistency.

3. §192.616 Public Awareness.

(a) ...

(c) **The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.**

PHMSA Finding

Spectra's written continuing public education program, *External Communication Plan*, was inadequate because it failed to follow the general recommendations of API RP 1162 Section 3 and assess the unique attributes and characteristics of its pipeline and facilities. Specifically, the *External Communication Plan* did not describe the criteria used to determine stakeholder notification areas, nor did they reference other documentation containing such information.

API RP 1162 Section 3 Stakeholder Audience defines the intended audiences that should be included in the public awareness program. For further explanations and examples, operators are referred to Appendix B of API RP 1162. In Appendix B of API RP 1162, under B.1.1 Affected Public, it states that "transmission pipeline operator should tailor its communication coverage area (buffer) to fit its particular pipeline, location, and potential impact consequences."

During the inspection, Spectra provided third party documentation and verbally explained how it determined notification area. However, *Section III. Stakeholders* of the *External Communication Plan* did not identify and define the buffer/area/boundary/extent of notification used for determining stakeholders that should receive the program's message.

Spectra Energy Response

Spectra Energy acknowledges that the External Communication Plan inspected did not describe the criteria used to determine stakeholder notification areas or reference other documentation containing such information and did not identify or define the buffer/area/boundary/extent of notification used for determining stakeholders that should receive the program's message.

The External Communication Plan was revised in 2011 to include the criteria used to determine stakeholder notification areas and the buffer/area/boundary/extent of notification used for determining stakeholders.

The External Communication Plan will be revised to reference other documentation containing the criteria used to determine stakeholder notification areas.

4. §192.616 Public Awareness.

(a) . . .

(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

PHMSA Finding

Spectra's written continuing public education program, *External Communication Plan*, was inadequate because it failed to follow API RP 1162 Section 4.6.2 and assess the unique attributes and characteristics of its pipeline and facilities.

API RP 1162 Section 4.6.2 Transmission Pipeline Mapping, states that "the level of detail provided on the map should, at a minimum, include the line size. . . ." The brochure that Spectra mailed to stakeholders contained a map that did not include the pipeline size(s).

Spectra Energy Response

Spectra Energy acknowledges that the brochures mailed out contained maps that did not include the pipeline size(s). However, the brochures did include instructions for accessing a Spectra Energy Pipeline Locator web page that does identify pipe size(s) in great detail. Furthermore, the brochures provided a contact phone number for the affected public that wanted "*general information or have a non-emergency question*". Thus the stakeholders receiving the brochures had two (2) methods of determining the size(s) of pipelines in close proximity.

The brochures were revised in 2011 to include a range of pipeline sizes(s). The brochure language will be updated to include a statement on how stakeholders can access the Pipeline Locator web page to identify pipe size(s) at a specific location. The brochure will also be revised to clarify that stakeholders can use the email and telephone contact information to receive pipeline size(s) for specific locations.

5. §192.616 Public Awareness.

(a) . . .

(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

PHMSA Finding

Spectra's written continuing public education program, *External Communication Plan*, was inadequate because it failed to follow the general recommendations of API RP 1162 Section 7.1 (g) and assess the unique attributes and characteristics of its pipeline and facilities. Section 7.1(g) states that the written program should include the program evaluation process, including the methodology to be used to perform the evaluation and analysis of the results and criteria for program improvement based on the results of the evaluation.

The *External Communication Plan* did not have a detailed written process on how to determine whether the program has been developed and implemented according to API RP 1162. In addition, the *External Communication Plan* did not have a detailed written process about how to determine whether the actions undertaken in implementation of API RP 1162 are achieving the intended goals and objectives. Overall, the *External Communication Plan* lacked procedures for the evaluations outlined in Section 8 of API RP 1162.

The *External Communication Plan*, Sections IX. *Evaluation* and X. *Effectiveness Measurement*, provides general information but lacks details on what criteria or metrics are used for determining if modifications to the program are necessary. Also, Section X. *Effectiveness Measurement* of the *External Communication Plan* had similar language to that in API RP 1162 but does not specify the specific methodology used by Spectra to evaluate its program.

Additionally, the *External Communication Plan* lacks procedures for the use of feedback cards, a hotline telephone number, and emergency responder questionnaires. Plus, the *External Communication Plan* did not have a documented process for following up on returned/undeliverable messages. Also, the *External Communication Plan* lacks information on how Right-of-Way personnel communicate and relay stakeholder issues/concerns/comments to Spectra personnel responsible for executing the plan.

Spectra Energy Response

Spectra Energy recognizes that External Communication Plan did not have a detailed written process on how to determine whether the program has been developed and implemented consistent with API RP 1162, and whether the actions undertaken in implementation are achieving the intended goals and objectives. Spectra Energy did, however, provide documentation during the inspection that verified an evaluation had been conducted.

Spectra Energy respectfully disagrees with PHMSA's statement that overall, the External Communication Plan lacked procedures for the evaluations outlined in Section 8 of API RP 1162. The External Communication Plan did include procedures for evaluation. Spectra Energy recognizes, however, that the procedures can be enhanced to provide more guidance, and the documentation should reflect the methodology used to conduct the evaluation. The External Communication Plan will be modified to provide more guidance on the methodology to evaluate whether the actions undertaken in implementation are achieving the intended goals and objectives.

The External Communication Plan will also be revised to provide details on what criteria or metrics are used for determining if modifications to the program are necessary and specify the specific methodology used by Spectra to evaluate its program.

In addition, the External Communication Plan will be revised to include procedures for the use of feedback cards, telephone hotline, emergency responder questionnaires, and email service. The Plan will also be revised to explain the handling of returned/undeliverable mail.

Spectra Energy acknowledges that the External Communication Plan does not specify how Right-of-Way personnel communicate stakeholder issues, concerns or comments to the Spectra Energy personnel responsible for executing the Plan. This granular level of internal company communication is not specified by API RP 1162, and is beyond the targeted concepts advanced by API RP 1162 of getting information into the hands of public stakeholders. However, Spectra Energy recognizes this would be an enhancement to the Plan. Therefore, Spectra Energy will revise the External Communication Plan to specify a process for field personnel to raise stakeholder concerns to personnel responsible for program execution.

6. §192.616 Public Awareness.

(a) . . .

(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

PHMSA Finding

Spectra's written continuing public education program, *External Communication Plan*, was inadequate because it failed to follow the general recommendations of API RP 1162 Section 4.3.2 and assess the unique attributes and characteristics of its pipeline and facilities. Specifically, the brochures that were sent to stakeholders did not provide adequate information about recognizing a pipeline leak.

The brochures that were mailed to the stakeholders did not specify that any one of the signs that were listed in the brochure could constitute a leak. The public awareness materials should clarify that all of these signs does not have to occur to indicate a leak; any one of these signs could indicate a natural gas pipeline leak.

Spectra Energy Response

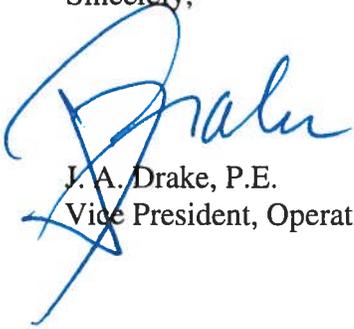
Spectra Energy's brochures mailed to stakeholders did include all the appropriate signs of a leak in commonly used language. Spectra Energy believes the language was clear and understandable by stakeholders. However, Spectra Energy recognizes that the brochure can be further clarified by stating any one of the signs that were listed in the brochure could constitute a leak.

Spectra Energy revised the brochures in 2011 to include the statement that "any one of the following could be a sign of a leak".

The NOA specified revisions to the External Communication Plan be completed and submitted to PHMSA within 90 days of receipt of the NOA. As noted in the responses above, several of the required revisions have already been made. Several significant revisions will be still be required to address the remaining findings of this NOA and the findings of the associated Notice of Probable Violation and Proposed Compliance Order CPF 1-2013-1022. Therefore, Spectra Energy respectfully requests an extension to the date for submittal of a revised External Communication Plan until **March 31, 2014**, and requests PHMSA to issue written confirmation that the time extension has been granted.

This completes our response to the issues raised in the NOA. If you need additional information, please contact Rick Kivela at (713) 627-6388.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. A. Drake". The signature is stylized and overlaps the typed name below it.

J. A. Drake, P.E.
Vice President, Operations and EHS