

October 26, 2015

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Mr. Byron Coy
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
820 Bear Tavern Road
Suite 103
West Trenton, NJ 08628

**RE: Spectra Energy Partners Response
Notice of Amendment
CPF 1-2015-1021M**

Dear Mr. Coy,

From July 6 to July 10, 2015, representatives of the Pipeline and Hazardous Materials Safety Administration ("PHMSA") conducted an inspection of Algonquin Gas Transmission's (a unit of Spectra Energy Partners) ("SEP")¹ procedures for operations and maintenance. On the basis of this inspection, PHMSA issued the above referenced Notice of Amendment ("NOA") relating to an alleged inadequacy found in SEP's procedures. The following is a brief summary of PHMSA's findings and SEP's response.

- 1. SEP's written procedure for conducting periodic evaluations of the effectiveness of procedures for controlling abnormal operations was inadequate. SEP's written procedure "*SOP Administration*" 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). However, SEP's procedures do not have a similar requirement for reviewing the procedures used for controlling abnormal operations, and thus SEP cannot demonstrate compliance with the requirements of §192.605(c)(4).**

As was discussed during the inspection, SEP has been conducting and documenting the required effectiveness reviews of SEP's procedures for controlling abnormal operations. SEP acknowledges the "*SOP Administration*" procedure does not explicitly require these reviews to be performed. Thus, SEP will not contest this finding.

SEP has revised the "*SOP Administration*" procedure to include a requirement to conduct a periodic review of the effectiveness and adequacy of the procedures used for controlling abnormal operations.

¹ On November 1, 2013, Spectra Energy Corp ("Spectra Energy") completed the drop-down of substantially all of SET's remaining U.S. transmission, storage and liquids assets, including Algonquin Gas Transmission, LLC ("AGT") to Spectra Energy Partners, LP ("SEP"), a master limited partnership. A wholly owned subsidiary of Spectra Energy, is the general partner of SEP.

A copy of a redlined version showing the revision is enclosed. The revisions to address this NOA are on page 17.

We trust the revisions to the "*SOP Administration*" procedure adequately address the issues noted in the NOA, and SEP requests PHMSA to close this NOA.

Please call me at (713) 627-6388 if you need additional information.

Sincerely,

A handwritten signature in blue ink that reads "Rick Kivela". The signature is written in a cursive, flowing style.

Rick Kivela
Director, Operational Compliance

Enclosure