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J. A. (Andy) Drake, P.E.
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April 25, 2012

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

RE: CPF 1-2012-1008M
Response to Notice of Amendment
Spectra Energy

Dear Mr. Coy,

On November 28, 2011, a representative the Pipeline and Hazardous Materials Safety Administration ("PHMSA") conducted an inspection of the Algonquin Gas Transmission, LLC ("AGT") facilities in South Plainfield, New Jersey. During this inspection, PHMSA identified one (1) apparent inadequacy in Spectra Energy Transmission, LLC ("SET") procedures¹, and issued a Notice of Amendment (NOA) on April 6, 2012. The following is a summary of PHMSA's finding and our response.

1. Retention of Hot Work Permits

PHMSA Finding

Spectra's hot work permit procedures, Standard Operating Procedure (SOP) 5-8010 and associated record Hot Work Permit Form 7T-74 were inadequate because they failed to provide the required interval for record retention, as prescribed in §192.709(c).

Pursuant to §192.709(c), a "record of each patrol, survey, inspection, and test required by Subparts L and M of this Part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer." The Hot Work Permit Form 7T-74 records results from testing an environment prior to performing hot work. The Hot Work Permit Form 7T-74 stated a record retention period of one (1) year.

¹ AGT is owned by SET and utilizes SET SOPs.

SET Response

SET's Hot Work Permit Form 7T-74 is documentation of the precautions implemented to safely conduct any work which could conceivably present a source of ignition (including heat, sparks, open flame, etc.), and which is performed in a classified area where a combustible or explosive gas mixture may exist. Form 7T-74 documents the work type, location, work description, potential ignition sources, equipment/area status, initial gas detector results, and other relevant information. Since Form 7T-74 is documentation of safety precautions implement to perform work, and not documentation of a test explicitly specified by Subparts L or M, we had not considered this form to be subject to the retention requirements of §192.709(c).

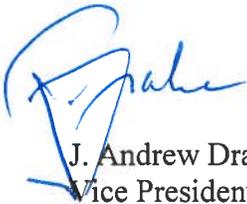
However, since Form 7T-74 does document the initial gas detector results, we do understand PHMSA's interpretation that §192.709(c) does apply. Therefore, we have revised Form 7T-74 to specify a retention period of five (5) years. We have also revised SOP 5-8010 to state "Form #7T-74 shall be retained as specified on the form".

Copies of revised SOP 5-8010 and revised Form 7T-74 are enclosed for your review.

We trust that you will find the revisions to SOP 5-8010 and Hot Work Permit Form 7T-74 fully address the issue noted in the NOA, and you will consider this matter closed.

Please call Rick Kivela at (713) 627-6388 if you have any questions or comments.

Sincerely,



J. Andrew Drake, P.E.
Vice President, Asset Integrity

Enclosure