

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

February 27, 2017

J. Andrew Drake
Vice President, Operations & EHS
Algonquin Gas Transmission, L.L.C. (Spectra Energy Partners, LP)
5400 Westheimer Court
Houston, TX 77056

CPF 1-2017-1005W

Dear Mr. Drake:

From November 2 – 6, 2015, representatives 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, L.L.C.'s (a subsidiary of Spectra Energy Partners, LP) (Spectra) Boston/Westwood Division Office Unit #1931 in Westwood, MA.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation is:

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.**

Spectra failed to follow its written procedure 2-2200, *Application of Cathodic Protection Criteria*, by failing to investigate areas with indications of over voltage that could potentially lead to cathodic disbondment of the coating and/or hydrogen embrittlement of the steel pipe.

Spectra SOP 2-2200, *Application of Cathodic Protection Criteria*, dated 4/30/2014, Section 7.0, *Over Voltage*, states in part:

“Cathodic protection levels which are “too high” (over voltage) may cause damage to the pipeline coating and to the pipe itself.

7.1 As a guideline, polarized potentials should be maintained more positive than -1.2 to -1.5 VDC in order to minimize the possibility of cathodic disbondment of the coating and hydrogen embrittlement of the steel.

7.4 The results of bell hole examinations along with the pipe-to-soil potential measurements taken before and during the examination should be reviewed to determine whether over voltage is a concern for the pipeline segment if polarized potentials more negative than -1.2 VDC are identified. If over-voltage is determined to be a problem, then the magnitude of the influencing current must be reduced and possibly additional cathodic protection sources established so as to more uniformly distribute the CP current.”

During the inspection, the PHMSA inspector reviewed Annual Survey records from 2013 to November 2015 for the Q System pipelines located in the Westwood, MA operating area. The records show that in 2014 there were 12 test stations along the Q-1 pipeline which had IRF (IR Free) polarized pipe-to-soil potentials ranging from -1.5V to negative -2.647V. Field measurements taken during the inspection of some test stations and recorded “Off” polarized potentials more negative than -1.5V.

No documentation was provided to demonstrate that these indications of potential over voltage had been investigated to determine if they are a concern to the pipeline segment.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violation occurring between January 4, 2012 to August 1, 2016, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item identified in this letter. Failure to do so will result in Spectra being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 1-2017-1005W**. 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).

Sincerely,

Robert Burrough
Acting Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration