

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY**

OVERNIGHT EXPRESS DELIVERY

December 18, 2017

Michele Harradence
VP Gas Transmission & Midstream Operations
Algonquin Gas Transmission, L.L.C. (Spectra Energy Partners, LP)
5400 Westheimer Court
Houston, TX 77056

CPF 1-2017-1006

Dear Ms. Harradence:

From November 2 to 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 (AGT) Boston/Westwood Division Office PHMSA Unit #1931 (Boston/Westwood) and Hubline PHMSA Unit #72496 (Hubline) in Westwood, MA. AGT was a subsidiary of Spectra Energy Partners, LP at the time of inspection, which has since merged into Enbridge, Inc.

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

- 1. §192.465 External corrosion control: Monitoring**
 - (a) Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.463...**
 - (d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.**

AGT failed to take prompt remedial action to correct deficiencies indicated by its cathodic protection (CP) monitoring.

During the inspection, the PHMSA inspector reviewed CP monitoring records from 2012-2014 for AGT's pipeline system located in the Westwood, MA operating area. The records show that in 9 instances Enbridge failed to take remedial action to correct low potential deficiencies indicated by annual CP monitoring at 6 different test stations within the Boston/Westwood and Hubline areas prior to the next scheduled inspection.

The CP criterion for each test station and the inspection results are stored in AGT's PCS database.

1. For test station 103+70 16in IF Potter STA:
 - a. The "-100 mV criteria" was designated
 - b. Native/depolarized potentials:
 - i. Are required with this criterion to demonstrate the level of polarization achieved.
 - ii. Were not documented in 2012 and 2013.
2. For five additional test stations:
 - a. The criterion designated was the -0.850 VDC "ON" criterion, in accordance with 49 CFR Part 192 Appendix D (I)(A)(1).
 - b. AGT SOP 2-2200, *Application of Cathodic Protection Criteria*, dated 4/09/2010, Pages 3-4, defines this criterion and how it is applied, stating in part:

"RESPONSE/REMARKS. This is a negative (cathodic) potential of at least 850 mV with the cathodic protection applied...

ACTION. CONSIDER voltage drops other than those across the structure-to-electrolyte boundary for valid interpretation of this voltage measurement:

 - Measuring or calculating the voltage drop(s);
 - Reviewing the historical performance of CP system;
 - Evaluating the physical/ electrical characteristics of the pipe and its environment;

Determining if there is physical evidence of corrosion."

The IR Free measurements in the Annual Survey records represent the measured structure pipe-to-soil reading with IR drop eliminated. As these IR Free measurements are more positive than - 0.850V, they fail to meet the requirements of 49 CFR Part 192 Appendix D (I)(A)(1). Readings failing to meet criteria must have prompt remedial actions taken to correct these deficiencies. Remedial action should correct the deficiency before the next monitoring cycle required by §192.465. The presence of consecutive years of IR Free readings more positive than -0.850V indicates that these deficiencies were not promptly corrected.

2. §192.481 Atmospheric corrosion control: Monitoring.

(a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months

AGT failed to inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at a frequency of at least once every 3 calendar years, but with intervals not exceeding 39 months, at 3 locations on its Q pipeline System within the Boston/Westwood area.

During the inspection, the PHMSA inspector reviewed atmospheric corrosion inspection records from 2012 through November 4, 2015 for AGT’s Q and I System pipelines, located in the Westwood, MA operating area.

The records indicated that Valve Q11, Milford M&R #20, and Valve H11-Q1-Launcher, atmospheric corrosion inspections occurred on 4/5/2012. At the time of the inspection, AGT did not have atmospheric corrosion inspection records for 2015 for these locations. On 11/6/2015 and 11/9/2015, after the inspection, AGT conducted atmospheric corrosion inspections at the three locations referenced above.

Thus, AGT exceeded the 39-month limit by 123 days for 2 locations, and by 126 days for 1 location.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists, up to a maximum of \$2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, 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. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$65,500 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$ 40,300
2	\$ 25,200

Response to this Notice

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. All material submit in response to this enforcement action may be 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). 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.

Please submit all correspondence in this matter to Robert Burrough, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. Please refer to **CPF 1-2017-1006** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

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

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