



Enbridge
5400 Westheimer Court
Houston, Texas 77056

January 15, 2018

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

**RE: Algonquin Gas Transmission, L.L.C. Response
Notice of Probable Violation (NOPV)
CPF 1-2017-1006**

Dear Mr. Burrough,

From November 2 to 6, 2015, representatives from the Pipeline Hazardous Material Safety Administration (PHMSA) conducted an inspection of Algonquin Gas Transmission, L.L.C.'s (AGT), a subsidiary of Spectra Energy Partners, LP (SEP¹), facilities in PHMSA unit #1931 (Boston Westwood) and PHMSA unit #72496 (Hubline) in Westwood, Massachusetts.

On December 18, 2017, PHMSA issued the above referenced Notice of Probable Violation (NOPV) alleging two (2) violations of pipeline safety regulations. The following is a brief summary of PHMSA's findings and AGT's response.

1. §192.465 External corrosion control: Monitoring

PHMSA Concern

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 Westwood, MA operating area. The records show that in 9 instances Enbridge failed to take remedial action to correct low potential

¹ On February 27, 2017, Enbridge Inc. and Spectra Energy Corp closed their merger transaction. Enbridge Inc. now indirectly controls the general partner of Spectra Energy Partners, LP (SEP), a master limited partnership, which continues to indirectly own Algonquin Gas Transmission, L.L.C.

deficiencies indicated by annual CP monitoring at 6 different test station with 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 designation was the -0.850 VDC "ON" criterion, in accordance with 49 CFR 192 Appendix D(I)(A)(1).
 - b. AGT SOP 2-2200, *Application of Cathodic Protection Criteria*, dated 04/09/2010, Pages 3-4 defines this criterion and how it is applied starting in part:

"RESPONSE/REMARKS. This is a negative (cathodic) potential of at least 850 mV with 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 voltage drop(s);
 - Review the historical performance of CP system;
 - Evaluating the physical/electrical characteristic 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 measure structure pipe-to-soil reading with IFR drop eliminated. As these IR Free measurements are more positive than -0.850 V, 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.

AGT Response

Actions have been taken by AGT to correct deficiencies indicated by its cathodic protection (CP) monitoring but those actions were not taken before the next monitoring cycle. AGT recognizes that process improvements are needed to assure CP deficiencies are remediated promptly. AGT does not contest this finding.

2. § 192.603 General Provisions

PHMSA Concern

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 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 inspection records for 2015 for these locations. On 11/6/2015 and 11/9/2015, after this inspection, AGT conducted atmospheric corrosion inspections at three locations referenced above.

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

AGT Response

AGT acknowledges that the 39 month limit for atmospheric inspections of the Valve Q11, Milford M&R #20 and Valve H11-Q1-Launcher was exceeded.

AGT conducted an atmospheric inspection of these locations on 11/6/2015 and 11/9/2015 and found no evidence of corrosion at these locations. AGT recognized process improvements were needed, and has since made process improvements. The 3-year intervals for atmospheric inspections of site locations are now loaded into our SAP work management system. This management system allows AGT to manage and track due dates for atmospheric inspections and helps to assure that the 3-year cycle for atmospheric inspections are not missed.

For the reasons stated above, AGT does not contest this finding.

Proposed Civil Penalty

PHMSA proposes a total civil penalty of \$65,500 for the two (2) violations. AGT does not contest the proposed civil penalty, and will pay this amount as directed by the "Response Options for Pipeline Operators in Enforcement Proceedings" attached to the NOPV.

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AGT takes these issues very seriously, and we are committed to addressing these issues in an expeditious manner. As noted above, AGT has already implemented a new process intended to assure atmospheric corrosion inspections are performed within the required timeframe.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Rick Kivela". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Rick Kivela
Manager, Operational Compliance