U.S. Department
Of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.771.7800

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

March 16, 2017

Mr. J. Andrew Drake
Vice President, Operations and Emergency, Health & Safety
Spectra Energy Corp
5400 Westheimer Court
Houston, TX 77056

CPF 1-2017-1007W

Dear Mr. Drake:

From October 6 through 10, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected the Maritimes & Northeast Pipeline (Spectra Energy Corp) Units #19781 and #28351 in Massachusetts and Maine.

As a result of the inspection, 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. **§192.605 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 update its Richmond Area Emergency Manual (AEM) at an interval not exceeding 15 months but at least once per calendar year. Specifically, Spectra failed to document changes to the LEL that were identified during a review of their AEM in October 2013 into AEM revisions that were issued in October 2013 and April 2014. The LEL changes were not incorporated into the AEM until November 2014.

During the inspection the PHMSA inspector reviewed Spectra's AEM review and update documentation for 2013 and 2014. The documentation indicated that:

1. The AEM revised April 24, 2013 stated that "The operator shall enter or remain in the compressor building only if the environment is less than 50% of the LEL.

2. The meeting minutes for the AEM field review conducted on October 23, 2013 stated "Reviewed Emergency Response Procedure: - Change verbiage: Page 33 in AEM from 50% LEL to 20% LEL. The AEM revised October 23, 2013 stated that "The operator shall enter or remain in the compressor building only if the environment is less than 50% of the LEL." The LEL change referenced in the field meeting minutes was not addressed.

3. The AEM revised April, 2014 stated that "The operator shall enter or remain in the compressor building only if the environment is less than 50% of the LEL. The LEL change referenced in the field meeting minutes dated October 23, 2013 was not addressed.

4. The AEM revised November, 2014, after the PHMSA inspection, stated that "The operator shall enter or remain in the compressor building only if the environment is less than 20% of the LEL. The change referenced in the field meeting minutes dated October 23, 2013 was addressed.

2. §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 keep appropriate parts of the manual at locations where operations and maintenance activities are conducted. During the inspection, the PHMSA inspector reviewed documentation provided by Spectra that showed that the latest version of the Richmond Area Emergency Manual (AEM) was revised in April 2014. Subsequently, the PHMSA inspector visited the Richmond Compressor Station office building and the Eliot Compressor Station and requested a copy of Spectra's Richmond Area Emergency Manual (AEM). A hard copy of an AEM revised on April 23, 2013, was the only copy available at the each of the field locations.

Thus, Spectra failed to keep appropriate parts of the manual at locations where operations and maintenance activities are conducted.

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 violations 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 Energy Corp being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, please address your correspondence to: Robert Burrough, Acting Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628 and please refer to **CPF 1-2017-1007W.** 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