

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

December 12, 2018

Michele Harradence
VP Gas Transmission & Midstream Operations
Texas Eastern Transmission, LP
5400 Westheimer Court
Houston, TX 77251-1642

CPF 1-2018-1024W

Dear Ms. Harradence:

From January 22, 2018 to August 28, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Texas Eastern Transmission, LP's (Texas Eastern) "Spectra TX Eastern North" system located throughout New Jersey, Pennsylvania, Maryland, West Virginia, Ohio and New York.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. § 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
Offshore	At least once each calendar year, but with intervals not exceeding 15 months

Texas Eastern 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 46 inspection locations within its Delmont Station.

During the inspection, the PHMSA inspector reviewed atmospheric corrosion inspection records from 2012 – 2016 for Texas Eastern’s pipelines located in the North-East System.

The records demonstrated that Texas Eastern failed to inspect 46 atmospheric corrosion evaluation locations within the Delmont Station at least once every 3 calendar years. Atmospheric corrosion evaluations were performed on 11/14/2012, with next inspections due by 12/31/15. The next atmospheric corrosion evaluations were performed on 3/9/2016.

Therefore, Texas Eastern failed to inspect portions of its pipelines exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years at its Delmont Station.

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.**

Texas Eastern failed to follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities. Specifically, Texas Eastern failed in 7 instances to take remedial action in accordance with its procedure 2-5020 *Atmospheric Pipe Inspection*, versions dated 1/2/12 and 10/7/14 (AC Procedures), on poor coating conditions requiring remedial action within one year of the atmospheric corrosion inspections.

Texas Eastern’s AC Procedures each stated, “Sites identified as being of poor condition will be evaluated by the Regional Technical staff to determine the appropriate follow-up action. Those determined to require remedial action shall be completed within one year.”

During the inspection, the PHMSA inspector reviewed Texas Eastern’s atmospheric corrosion inspection records from 2012 to 2015. The records revealed that Texas Eastern personnel became aware of poor conditions of the coating, with remedial action required, but action was not taken by Texas Eastern to remediate the conditions within one year. The following table outlines specific locations where remedial actions were missed.

Atmospheric Report						
Location Description	Inspection Date	Coating Condition	Remedial Action Required	Corrosion	Date Action Taken	Date Action Should have been taken according to 2-2050
19-insertion meter 19-779	7/2/2013	Poor	Blank	Surface Rust	6/1/2016	on or before 7/2/2014
	8/3/2015	Poor	Yes	General Corosion	6/1/2016	on or before 8/3/2016
27-insertion meter 27-717	7/2/2013	Poor	Blank	Surface Rust	6/1/2016	on or before 7/2/2014
	8/3/2015	Poor	Yes	General Corosion	6/1/2016	on or before 8/3/2016
ESD by Main Gate	5/6/2014	Poor	Yes	Blank	10/19/2016	on or before 5/6/2015
	8/4/2015	Poor	Yes	Pitting <20%	10/19/2016	on or before 8/4/2016
ESD by rectifier at office and ESD Nort	5/6/2014	Poor	Yes	Blank	10/19/2016	on or before 5/6/2015
	8/4/2015	Poor	Yes	Pitting <20%	10/19/2016	on or before 8/4/2016
Basement Westinghouse building	5/6/2014	Poor	Yes	Blank	?	on or before 5/6/2015
	8/4/2015	Poor	Yes	Pitting <20%	?	on or before 8/4/2016
Tomer X-Over V#29-94	6/20/2012	Poor	Yes	General Corosion	10/17/2015	on or before 6/20/2013
	4/17/2015	Poor	No	Surface Rust	10/17/2015	on or before 4/17/2016
Tomer Line #39 MLV #39066	6/20/2012	Poor	Yes	General Corosion	10/17/2015	on or before 6/20/2013
	4/17/2015	Poor	No	Surface Rust	10/17/2015	on or before 4/17/2016

Therefore, Texas Eastern failed to follow its written procedure regarding Atmospheric Pipe Inspection remedial actions.

3. § 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.

Texas Eastern failed to follow its manual of written procedures for conducting emergency response. Specifically, Texas Eastern failed to follow its Procedure Number 5-2010, *Area Emergency Response Procedures*, dated 4/30/2014 (Procedure), which required personnel to be trained annually on the Area Emergency Response Plan, pursuant to § 192.615(b)(2).

Section 192.615(b)(2) states:

(b) Each operator shall:

...

(2) Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective.

Texas Eastern’s Procedure, section 7.2 - *Training of the Emergency Response Procedures* states (emphasis added):

7.2 An Emergency Response Plan training session with area personnel shall be conducted once each calendar year, but not to exceed fifteen (15) months. Area personnel are responsible to review the Area Emergency Response Plan. The review is to be documented on Form #7T-9.

During the field inspection at the Marietta Compressor Station, the PHMSA inspector reviewed two #7T-9 Forms for the Marietta Compressor Station Emergency Response Plan training. The #7T-9 Forms provided confirmed the annual training and attendance for 2015 and 2017. Texas

Eastern could not provide the #7T-9 Form for the 2016 Marietta Compressor Station Emergency Response Plan training, nor did they provide any other documentation to show the 2016 annual training for the Marietta Compressor Station had taken place.

Additionally, Marietta's pre-printed Emergency Response Plan training verification form #7T-9 for 2015 and 2017 was prepopulated with the names of personnel scheduled to attend the training, with handwritten initials provided by the attendees. The 2015 and 2017 year's #7T-9 training attendance forms showed five personnel for each year had not initialed reflecting their attendance at the training. The #7T-9 forms indicated that two of the personnel who did not have the training in 2015 were also not trained in 2017.

Texas Eastern stated they did not have a process in place currently for either tracking personnel who missed the required yearly Emergency Response Plan training, or for providing a make-up training session to those who missed the training.

Therefore, Texas Eastern failed to follow its manual of written procedures for emergency response by not training the Marietta staff annually on the Area Emergency Response Plan.

4. § 192.615 Emergency Plans

(c) Each operator shall establish and maintain liaison with appropriate fire, police and other public officials to:

- (1) Learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency;**
- (2) Acquaint the officials with the operator's ability in responding to a gas pipeline emergency;**
- (3) Identify the types of gas pipeline emergencies of which the operator notified the officials; and**
- (4) Plan how the operator and officials can engage in mutual assistance to minimize hazards to life or property.**

Texas Eastern failed to establish and maintain liaison with appropriate fire officials to learn their responsibilities and resources for responding to a gas pipeline emergency; to acquaint the fire officials with Texas Eastern's ability in responding to a gas pipeline emergency; to identify the types of gas pipeline emergencies which Texas Eastern notifies the fire officials of; and to plan how Texas Eastern and the fire officials can engage in mutual assistance to minimize hazards to life or property.

During the field inspection at the Eagle Compressor Station, the PHMSA inspector reviewed the area Emergency Response Binder. Emergency Response contact numbers were listed for various locations where Texas Eastern pipelines are located. Texas Eastern identified the Philadelphia [International] Airport as an Emergency Contact for their 1-A pipeline. As indicated in the National Pipeline Mapping System (NPMS), Texas Eastern's 16" South Line 1-A pipeline is located within a few hundred feet from a prominent active runway (#17/35) at the Philadelphia International Airport (PHL). PHL serves as a large hub for a major airline and the airport can service over a hundred thousand passengers daily.

When requested by the PHMSA inspector, Texas Eastern failed to provide any records or evidence of joint communication between Texas Eastern and PHL Officials or PHL Fire/Rescue Department - Engine 78 (PHL Fire). No records were provided showing PHL or PHL Fire representatives had attended any of the Paradigm Pipeline liaison meetings, showing that Texas Eastern had information on the type of resources available at the PHL or PHL Fire department that would be needed during a pipeline emergency for the airport location, or showing any joint communication between Texas Eastern and PHL or PHL Fire officials.

Thus, Texas Eastern failed to establish and maintain liaison with appropriate fire, police, and other public officials as required by § 192.615(c).

5. § 192.805 Qualification Program

Each operator shall have and follow a written qualification program. The program shall include provisions to:

- (a) Ensure through evaluation that individuals performing covered tasks are qualified;**

Texas Eastern failed to ensure through evaluation that individuals performing covered tasks are qualified.

During the inspection, the PHMSA inspector reviewed Enbridge Compliance Atmospheric Reports as well as Veriforce Field Verification Reports.

Texas Eastern Technician Candidate ID: tf-613037-01 did not have Task ID: 417OP: Atmospheric Corrosion Monitoring, qualifying them to inspect for Atmospheric Corrosion. Candidate ID: tf-613037-01 is listed on Enbridge Compliance Atmospheric Report as the technician who performed this task in 76 instances on the Northeast System: Uniontown-Delmont.

When questioned, Texas Eastern stated that Candidate ID: tf-613037-01 was observed by another technician that is qualified under Task ID: 417OP. However, Texas Eastern could not produce any documentation to demonstrate that the individual was observed by a qualified individual when performing the task.

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. 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(s) identified in this letter. Failure to do so will result in Texas Eastern Transmission, LP being subject to additional enforcement action.

Please 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).

No reply to this letter is required. If you choose to reply, please submit all correspondence in this matter to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. Please refer to **CPF 1-2018-1024W** 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