

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

OVERNIGHT EXPRESS DELIVERY

July 11, 2019

Mr. William T. Yardley
President of Gas Transmission and Midstream
Enbridge, Inc.
5400 Westheimer Court
Houston, TX 77056

CPF 1-2019-1004

Dear Mr. Yardley:

From May 24, 2018 to June 28, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Algonquin Gas Transmission, L.L.C. (AGT) pipeline system in Massachusetts, Rhode Island and New Jersey. AGT is a subsidiary of Enbridge, Inc.

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 violation(s) 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

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. Specifically, AGT failed to meet the required time interval at 17 locations exposed to the atmosphere within the Massachusetts Bay/Hubline; 63 locations within the Boston/Westwood area; and 1 location within the New Jersey area.

During the inspections, the PHMSA inspectors reviewed atmospheric corrosion inspection records for the last two inspection cycles for the Massachusetts Bay/Hubline, Boston/Westwood, and New Jersey area PHMSA units. The records demonstrated that a total of 81 locations exceeded the 39-month inspection cycle. During the Massachusetts Bay/Hubline and Boston/Westwood area inspections, AGT personnel indicated that the inspections were not performed due to issues with its work management system.

Therefore, 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.

2. § 192.709 Transmission line: Record Keeping

Each operator shall maintain the following records for transmission line for the periods specified:

- (c) A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer.**

AGT failed to maintain records of a test required by subpart M of 49 C.F.R. Part 192 for at least 5 years. Specifically, AGT failed to maintain records demonstrating that 292 emergency valves in its South Plainfield, NJ operating area were partially operated in accordance with § 192.745(a) during 2016.

Section 192.745(a) states:

- (a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.

During the inspection, the PHMSA inspector reviewed AGT's Valve Inspection Audit Report (Report) for 2014-2016 in conjunction with a record of AGT's designated emergency valves. The Report included a column titled "Valve Part Full Operated", which is populated with a Y/N response to document that the valve was partially or fully operated in accordance with the requirement. The Report indicated 292 instances in 2016 where emergency valves were not documented as being partially or fully operated during the annual inspection, as the "Valve Part Full Operated" field was null for those records.

Therefore, AGT failed to maintain records of its 2016 emergency valve partial operation test in accordance with § 192.709(c).

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$213,268 per violation per day the violation persists, up to a maximum of \$2,132,679 for a related series of violations. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. 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 \$341,400 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$293,700
2	\$47,700

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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 190.211. 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. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from the receipt of this Notice. This period may be extended by written request for good cause.

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 1-2019-1004** 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.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

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

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