

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

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

October 7, 2011

Mr. Theopolis Holeman  
Group Vice President  
Texas Eastern Transmission, LP (Spectra Energy Corp)  
5400 Westheimer Court  
Houston, TX 77056

**CPF 2-2011-1009**

Dear Mr. Holeman:

From May 9 through July 29, 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the Texas Eastern Transmission, LP (TETLP) natural gas transmission pipeline facilities and records in Alabama, Mississippi, Tennessee, and Kentucky.

As a result of the inspection, it appears that TETLP has committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

- 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.**

TETLP failed to take prompt remedial action to correct deficiencies it found during external corrosion control monitoring (testing) at the two cathodic protection test stations listed below. For these test stations, TETLP used the - 850 mV “on” criteria to determine if the external corrosion control cathodic protection system met the requirements in §192.463 as contained in Part 192, Appendix D, paragraph I.A.(1).<sup>1</sup>

TETLP records showed that during its external corrosion control monitoring tests conducted in 2009, 2010, and 2011, TETLP identified low cathodic protection (CP) readings at the two test stations listed below but did not correct these deficiencies promptly. These deficiencies had still not been corrected at the time of the PHMSA inspection (May to July 2011) nearly two years after the initial discovery of the deficiencies.

Clinton-Kosciusko Segment - Line 14:

<u>Milepost</u>	<u>Date</u>	<u>CP Reading</u>
356.9979	7/26/2009	- 658 mV
	4/20/2010	- 480 mV
	4/04/2011	- 420 mV
	5/11/2011	- 401 mV (reading taken during PHMSA field inspection)

Kosciusko-Egypt Segment - Line 10:

<u>Milepost</u>	<u>Date</u>	<u>CP Reading</u>
15.1800	8/06/2009	- 355 mV
	3/31/2010	- 486 mV
	4/13/2011	- 598 mV

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation and has recommended that you be preliminarily assessed a civil penalty of \$19,000 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$19,000

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<sup>1</sup> **Part 192, Appendix D—Criteria for Cathodic Protection and Determination of Measurements**

I. *Criteria for cathodic protection—*

A. Steel, cast iron, and ductile iron structures.

(1) A negative (cathodic) voltage of at least 0.85 volt, with reference to a saturated copper-copper sulfate half cell. Determination of this voltage must be made with the protective current applied, and in accordance with sections II and IV of this appendix.

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. 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). 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.

In your correspondence on this matter, please refer to **CPF 2-2011-1009** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Wayne T. Lemoi  
Director, Office of Pipeline Safety  
PHMSA Southern Region

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