



U.S. Department  
of Transportation

Pipeline and Hazardous  
Materials Safety  
Administration

1200 New Jersey Avenue, SE  
Washington, D.C. 20590

JUN 27 2017

Mr. William T. Yardley  
Executive Vice President and President  
Gas Transmission and Midstream  
Enbridge, Inc.  
5400 Westheimer Court  
Houston, Texas 77056

**Re: CPF No. 4-2016-1012**

Dear Mr. Yardley:

Enclosed please find the Final Order issued in the above-referenced case. It makes one finding of violation and specifies actions that need to be taken by your subsidiary, Ozark Gas Transmission, LLC, to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Southwest Region, this enforcement action will be closed. Service of the Final Order by certified mail is effective as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Director, Southwest Region, Office of Pipeline Safety, PHMSA  
Mr. Rick Kivela, Ozark Gas Transmission, LLC, Director of Operational Compliance,  
Spectra Energy Partners, LP, 5400 Westheimer Court, Houston, Texas 77056  
Mr. Al Monaco, Enbridge Inc., President and CEO, 200 Fifth Avenue Place, 425-1<sup>st</sup>  
Street SW, Calgary, Alberta, Canada T2P 3L8

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

**In the Matter of** )

**Ozark Gas Transmission, LLC,** )  
**a subsidiary of Spectra Energy Partners, LP,** )

**Respondent.** )

**CPF No. 4-2016-1012**

**FINAL ORDER**

From April 11, 2016, to September 8, 2016, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Ozark Gas Transmission, LLC (Ozark or Respondent), in Oklahoma and Arkansas. Ozark, a subsidiary of Spectra Energy Partners, LP, operates a 366-mile gas pipeline system that extends from southeastern Oklahoma through Arkansas to southeastern Missouri.<sup>1</sup>

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated November 3, 2016, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Ozark had violated 49 C.F.R. § 192.605(a) and ordering Respondent to take certain measures to correct the alleged violation.

On November 28, 2016, Ozark requested an extension of the 30-day response time to January 3, 2017. PHMSA granted the request by letter dated December 6, 2016, and on December 16, 2016, Spectra responded to the Notice on behalf of Respondent (Response). Ozark did not contest the allegation of violation but provided information concerning the corrective actions it had taken in response to the Notice. The company did not request a hearing and therefore has waived its right to one.

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<sup>1</sup> Ozark Gas Transmission, LLC website, *available at* <http://www.spectraenergy.com/Operations/US-Natural-Gas-Operations/US-Pipelines/Ozark-Gas-Transmission/> (last accessed March 10, 2017). Effective February 27, 2017, pursuant to a merger between Enbridge, Inc. (Enbridge), and Spectra Energy Corp., Spectra Energy Partners, LP, became a subsidiary of Enbridge Inc. Enbridge owns and operates an extensive network of crude oil, liquids and natural gas pipelines, regulated natural gas distribution utilities, and renewable power generation. *See* Enbridge website, *available at*, <http://www.enbridge.com/enbridge-and-spectra> (last accessed March 9, 2017).

### FINDING OF VIOLATION

In its Response, Ozark did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192, as follows:

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 192.605(a), which states, in relevant part:

**§ 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...

The Notice alleged that Respondent violated 49 C.F.R. § 192.605(a) by failing to follow its own manual of written procedures for conducting operations and maintenance activities. Specifically, it alleged that Ozark failed to follow its *Procedure AP-CD3.0, Maximum Allowable Operating Pressure Calculation (AP-CD 3.0)*, for calculating and recording the maximum allowable operating pressure (MAOP) on its pipeline. According to the Notice, Ozark allegedly failed to record the MAOP calculated at the time Ozark acquired the facilities in 2010 on the company's *MAOP Establishment Report, TS-064 (TS-064)*, a form required under *AP-CD3.0* for all MAOP calculations. The Notice also alleged that Respondent failed to follow *AP-CD 3.0, Section 4, Supporting Documentation*, which required all supporting documentation to be attached to *TS-064* so that future users would be able to trace the origin of the MAOP and determine if changes were needed.

In its Response, Ozark did not contest the allegation of violation and acknowledged that *TS-064* was not completed in 2010. But Ozark contended that it did verify the MAOP at the time of acquisition. The company stated that it now utilizes a MAOP software application for performing MAOP calculations in lieu of using *TS-064* and noted that revisions to *AP-CD3.0* were needed.

Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.605(a) by failing to following its own manual of written procedures for conducting operations and maintenance activities.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

### COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for the violation of 49 C.F.R. § 192.605(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C.

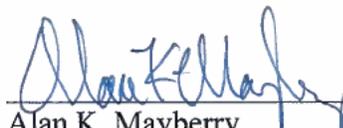
§ 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 192.605(a) (**Item 1**), Respondent must modify its manual of written procedures to reflect the use of MAOP software in performing MAOP calculations and must retain the MAOP calculations and all supporting documents for the Ozark natural gas transmission system, as stated in the Respondent's revised written procedures.
2. With respect to **Item 1**, Respondent must provide PHMSA with confirmation and documentation of the MAOP calculation performed by the MAOP software no later than 30 days from the issuance of the Final Order in this case.
3. It is requested (not mandated) that Ozark maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies, and analyses, and 2) total cost associated with replacements, additions, and other changes to pipeline infrastructure.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

The terms and conditions of this Final Order are effective upon receipt of service in accordance with 49 C.F.R. § 190.5.

  
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Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

JUN 27 2017

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Date Issued