

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 9, 2016

Theopolis Holeman
Group Vice President
OZARK Gas Transmission, LLC
5400 Westheimer Court
Houston Texas 77056

CPF 4-2016-8001M

Dear Mr. Holeman:

During the period from April 11, 2016 to September 8, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Ozark Gas Transmission LLC, at which time, the Spectra Energy (Spectra) procedures for Operator Qualification and Operations & Maintenance were reviewed.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Spectra's plans and procedures, as described below:

1. 195.505 – Qualification Program

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

- (i) **After December 16, 2004, notify the Administrator or a state agency participating under 49 U.S.C. Chapter 601 if the operator significantly modifies the program after the administrator or state agency has verified that it complies with this section. Notifications to PHMSA may be submitted by electronic mail to *InformationResourcesManager@dot.gov* or by mail to ATTN: Information Resources Manager DOT/PHMSA/OPS, East Building, 2nd Floor, E22-321, New Jersey Avenue SE., Washington, DC 20590.**

Ozark Gas Transmission LLC (Spectra's) written Operator Qualification (OQ) plan, Section 8.0 Management of Change, does not include a categorization of changes due to mergers and acquisitions, increasing span of control ratios, and other changes identified in PHMSA's ADB 2009-003. Spectra failed to notify PHMSA of changes in their OQ program that were identified as significant and clarified by ADB-09-03 when it acquired the Express Platte pipeline in 2003 (Express Holdings (USA), LLC, OPID 31720.) The acquisition resulted in the addition of sixteen (16) new covered tasks (liquids) to its internal covered task lists and seventeen (17) new tasks to its contractor covered task list on July 02, 2003.

Spectra must update their written OQ program to include changes due to mergers and acquisitions, increasing span of control ratios and other changes termed and clarified as significant in PHMSA's ADB 2009-003.

2. 192.603 – General Provisions.

- (a) No person may operate a segment of pipeline unless it is operated in accordance with this subpart.**

Spectra's written Administrative Procedure for Maximum Operating Pressure Calculation (Spec No. AP-CD3.0) outlines a procedure that can be utilized in establishing an alternative MAOP. This procedure outlines procedures to establish the MAOP of a pipeline that does not already have documentation of an MAOP.

The procedure in Section 3E of Spectra's manual states that "If documentation of an MAOP cannot be found, an MAOP may be established using the highest pressure experienced over the previous 5 years without causing damage or safety problems. This pressure must have been held for several hours. The operator must consult with the regulatory agency to establish an MAOP in this manner."

The establishment of an MAOP utilizing this procedure is outside the regulatory requirements contained in Part 192. This provision as such cannot be used to establish MAOP on any of Spectra's pipelines and should be removed from the procedures.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Spectra maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2016-8001M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

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