Enbridge
5400 Westheimer Court
Houston, Texas 77056

Via Electronic Mail

May 20, 2021

Mary McDaniel
Director, Southwest Region
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
8701 S. Gessner Rd, Suite 630
Houston, Texas 77074

RE: Texas Eastern Transmission, LP
Notice of Probable Violation Response
CPF 4-2021-1030-NOPV

Dear Ms. McDaniel,

Texas Eastern Transmission, LP (TETLP) received the above referenced Notice of Probable Violation (NOPV) and Proposed Civil Penalty issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA) on April 20, 2021. PHMSA issued the NOPV following multiple inspections of TETLP's 2020 Special Permit Annual Report to confirm the company's compliance with TETLP's special permit conditions and limitations (Order) by representatives from PHMSA pursuant to Chapter 601 of 49 U.S.C on multiple dates beginning December 3, 2020 through April 1, 2021. The NOPV alleges one (1) probable violation of the Order regarding Condition 20 and proposes a civil penalty of forty-nine thousand dollars ($49,000). The following is a summary of PHMSA's finding and TETLP's response.

PHMSA Allegation

1. Condition 20: Anomaly Evaluation and Repair

TETLP failed to follow the requirements in Condition 20 of the Order for discovery and response time following the performance of an ILI tool run in a special permit inspection area. Specifically, TETLP failed to discover two anomalous conditions within 90 days following the completion of an ILI tool run and also failed to take action as required in response to an *immediate response* condition located in a Class 1 location in accordance with 49 CFR §§ 192.485 and 192.933.

TETLP's 2020 Special Permit Annual Report included the identification of two anomalous conditions. An ILI tool run with Magnetic Flux Leakage – Circumferential (MFL-C) Technology performed on November 21, 2019, identified the conditions. The final vendor report was delivered on March 18, 2020, and TETLP discovered two anomalous conditions on April 23, 2020, 154 days from the ILI run date.

Additionally, the anomalous conditions resulted in Failure Pressure Ratios (FPR) of 1.038 and 1.164. The anomaly located on Line 12 at Mile Post (MP) 97.19 had an FPR of 1.038 and is located within Special Permit Inspection Area A and operates at 77.7% of SMYS in a Class 1 location which required immediate action. After discovery, TETLP did not take *any* immediate action. It was not until PHMSA contacted TETLP on December 3, 2020, that TETLP reassessed the condition at MP 97.19 and updated the FPR to 1.146 on December 11, 2020. Their vendor confirmed this upgraded information on March 29, 2021.

TETLP Response

In Item No. 1 of the NOPV, PHMSA makes two independent allegations against TETLP. First, PHMSA asserts that TETLP failed to discover anomalies within 90 days of an Inline Inspection (ILI) as required by Condition 20 of the applicable Special Permit. Second, PHMSA alleges that an indication of the Failure Pressure Ratio Tolerance Compensated (FRPtc) below 1.1 caused an immediate response situation that TETLP failed to address. TETLP will address these allegations separately.

With respect to the first assertion, TETLP recognizes that Condition 20 of the Order requires that *the discovery date must be within 90 days of an ILI Tool run for each type of ILI Tool (HR-geometry, HR-deformation or high resolution HR-MFL)* and the discovery date of the MFL-C run was 154 days from the ILI run date. TETLP acknowledges that communication efforts should have been made prior to utilizing these new technologies on the special permit pipeline. Congruent with the aforementioned communication effort, TETLP is making PHMSA aware that the Company has already utilized other technologies including Electromagnetic Acoustic Transducer (EMAT) ILI technology in the special permit pipelines. Specifically, TETLP ran eleven (11) EMAT ILIs on the special permit pipelines with nine (9) not meeting the special permit specified date of discovery based on PHMSA's interpretation that the date of discovery timelines within the special permit conditions also apply to EMAT ILI technology. It is important to note that the complexity of analyzing EMAT data lead to a longer vendor analysis timeline typically around 120 days and some Special Permits do not have language to specifically address date of discovery for EMAT In-Line Inspection technology. In addition, TETLP ran nine (9) MFL-C ILI tool runs on the special permit pipelines with eight (8) not meeting the specified date

of discovery based on PHMSA's interpretation that the date of discovery timelines within the special permit conditions also apply to MFL-C ILI technology. All nine (9) MFL-C reports were reviewed considering the NOPV findings. As a result of the review, TETLP identified three (3) reported features previously deemed acceptable using the TETLP procedure at the time, but which were determined to meet a repair condition criterion on re-assessment. All three (3) features have been issued for excavation.

With respect to the second assertion, TETLP respectfully disagrees with PHMSA's alleged violation in this matter because the Company did not consider these anomalous conditions as requiring an *immediate* response in accordance with 49 CFR §§ 192.485 and 192.933 and, therefore, did not fail to comply with the response requirements in Condition 20 of the Order. TETLP ran an MFL-A[1] and MFL-C[2] ILI tools on May 3, 2018 and November 21, 2019 respectively. More importantly, TETLP affirmatively determined that no safety condition requiring immediate response was present. MFL-A and MFL-C are not equally capable at characterizing metal loss, with MFL-A rendering more accurate characterizations of general corrosion, pitting and circumferentially oriented corrosion. The results from the MFL-A were assessed on August 14, 2018 for internal and external corrosion in accordance with TETLP's procedures and 49 CFR §192.933, and no actionable anomalies were identified. TETLP later ran the MFL-C tool as a complementary tool because the MFL-A tool has limitations in characterizing axial slotting and Selective Seam Weld Corrosion (SSWC) morphologies. In addition, the MFL-C helps improve the overall corrosion program since it is more sensitive than MFL-A for features oriented axially. The result from the MFL-C was assessed on April 23, 2020 for SSWC in accordance with TETLP's MFL-C Inspection Response procedure which required TETLP to compare the 2018 MFL-A and 2020 MFL-C results to characterize metal loss morphologies and determine the appropriate response in accordance with 49 CFR §192.933. The anomalous condition at MP 97.19 was evaluated on April 23, 2020 and it was conclusively determined that the condition did not meet the *immediate* anomalous condition definition in accordance to 49 CFR §192.933. This conclusion was based on a review of the 2018 MFL-A data which reported the FPRtc as 1.419. This is contrary to PHMSA's statement that *It was not until PHMSA contacted TETLP on December 3, 2020, that TETLP reassessed the condition at MP 97.19 and updated the FPR to 1.146 on December 11, 2020.*

[1] MFL-A tool is the industry standard tool for assessing "general" or circumferentially oriented metal loss associated with the external corrosion and internal corrosion threats. MFL-A specifications is generally superior to MFL-C due to greater usage of the technology and continuous improvement benefit.

[2] MFL-C is used to assess selective seam weld corrosion as it can detect corrosion with axial slotting morphology more reliably than MFL A. MFL-C can detect other morphologies, but the specifications are inferior and there is more challenges in POD, POI and SA. Using all the data directly would results in an inefficient program.

In summary, TETLP strongly believes that the procedures used to evaluate MFL-C results are sound and provide appropriate level of pipeline safety. The TETLP procedure for evaluating MFL-C ILI runs includes leveraging and integrating the latest MFL-A data, ensuring the best characterization data appropriate for the corrosion morphology observed is used to perform the fitness for purpose assessment and identify conditions for repair, including immediate conditions.

TETLP takes its pipeline safety compliance very seriously and has since initiated the review and update of the MFL-C and EMAT procedures to address this finding. To that end, TETLP is committed to continual process improvement of its safety processes and associated documentation. Given the facts above, TETLP is not contesting this finding and will make the civil penalty payment of $49,000.

Please call me at (713) 627-5008 if you have any questions or concerns.

Sincerely,

Nathan Atanu
Manager, Operational Compliance