



U.S. Department  
Of Transportation  
Pipeline and  
Hazardous Materials  
Safety Administration

820 Bear Tavern Road, Suite 103  
West Trenton, NJ 08628  
609.989.2171

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

**OVERNIGHT EXPRESS DELIVERY**

February 17, 2015

J. Andrew Drake  
Vice President, Operations & EHS  
Texas Eastern Transmission LP (Spectra Energy Corp)  
5400 Westheimer Court  
Houston, TX 77056

**CPF 1-2015-1003**

Dear Mr. Drake:

During the dates of June 23 – 27 and August 11-14, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code inspected construction activities associated with Texas Eastern Transmission LP's (a subsidiary of Spectra Energy Corp) (Spectra) TEAM 2014 project in Shermans Dale and Perulack, Pennsylvania.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

**1. §192.303 Compliance with specifications or standards.**

**Each transmission line or main must be constructed in accordance with comprehensive written specifications or standards that are consistent with this part.**

Spectra failed to construct its transmission line in accordance with its written construction specification *CS-PL1.7, Onshore Pipelines and Meter Stations, Revision Date 12/12/2012*, when placing backfill over the pipe.

*CS-PL1.7, Onshore Pipeline and Meter Stations, Section 19 Backfill, 19E1* states that a “[c]ontractor shall exercise care when placing backfill over pipe. The area around the pipe to 8 inches above the pipe in the trench shall be backfilled with small, fine material meeting the requirements for padding in section §18 (emphasis added).” According to *Section 18 Padding, 18E*, “[p]adding material imported to the work area or mechanically sifted from native trench soils shall be free of stones larger than 1 ½ in (38 mm) in any dimension (emphasis added).”

During this field inspection of the Perulack - East Loop backfilling operation in Perry County,

Pennsylvania, on June 26, 2014, a PHMSA inspector observed stones that appeared large in size being placed within 8-inches of the transmission line. The PHMSA inspector requested the measurements of the sifter grate utilized in the backfill machine. Spectra measured the existing sifter grate on June 26, 2014 and found that the grid spacing was 2-inch by 2-inch. That same day Spectra replaced the 2-inch by 2-inch screening with 1½-inch by 1½-inch screening.

Photographs and the video taken by the PHMSA inspector on June 26, 2014, prior to replacing the screening, illustrate that the backfill material placed into the trench contained stones that were larger than 1½-inch in any dimension. Thus, Spectra did not follow its written construction specification *CS-PL1.7*.

## 2. §192.303 Compliance with specifications or standards.

**Each transmission line or main must be constructed in accordance with comprehensive written specifications or standards that are consistent with this part.**

Spectra failed to follow its written construction specifications during construction of its transmission line. Specifically, Spectra did not document the identification (ID) of welders who performed the weld on the pipeline, as required by its written construction specifications, *CS-PL1.7, Onshore Pipelines and Meter Stations* and/or *Construction Specification CS-NDE1.1, Non-Destructive Examination – Appendix*.

1. Spectra's written construction specification *CS-PL1.7, Onshore Pipelines and Meter Stations, Revision Date 12/12/2012, Section 10, 10B16* states that "[e]ach qualified welder shall mark with a felt tip marker or paint stick the number or symbol assigned to them by the Company adjacent to each weld for which that person was responsible."

Under *10D1*, it states that "[n]on-destructive examination shall be in accordance with the applicable codes and governing regulations, the requirements contained in the latest edition of the Company's Non-Destructive Examination Manual (emphasis added)."

2. Spectra's written construction specification *CS-NDE1.1, Non-Destructive Examination – Appendix, Revision Date 1/06/2014*, provides instructions for completing the *Non-Destructive Examination (NDE) Report of Field Welds, Form TS-406*.
  - a. *1A* states that "[t]his supplement is intended to provide assistance in properly completing the latest edition of NDE report of Field Welds, Form TS-406."
  - b. *1B12* states: "Welder(s) ID - Enter the welder's identification for all the welders involved in performing the weld (emphasis added)."

Spectra's written construction specification requires documentation of the ID of the welder, who performed the weld on the pipeline, on both the pipeline itself and *Form TS-406*. If Spectra does not supply *Form TS-406* to a contractor, Spectra must ensure that a sample non-destructive examination report is provided by the contractor, "which shall include as a minimum: . . . weld number, welder identification, and weld type. . . ."<sup>1</sup>

During this field inspection conducted the week of June 23, 2014, the PHMSA inspector reviewed randomly selected field welds and associated NDE records for the Shermans Dale Loop in Dauphin County, Pennsylvania. The PHMSA inspector compared the welder's ID that was stenciled on the pipe, which was required to be marked on the pipe adjacent to the completed welds by the welder, with the associated *Form TS-406*. The PHMSA inspector took notes and/or photographs of the welder's ID that was stenciled on the pipe and the related *Form TS-406*. The PHMSA inspector observed the following

<sup>1</sup> Spectra's written construction specification, *CS-NDE2.1, Radiography, Revision Date 1/06/2014, Section 3A2*.

discrepancies:

1. RTA-ML-84: Welder ID's M and O were marked on the pipe but not depicted on Form TS-406 dated June 18, 2014.
2. RTA-ML-86: Welder ID's T, P and C were marked on the pipe but not depicted on Form TS-406 dated June 18, 2014.
3. RTA-ML-90: Welder ID's M and O were marked on the pipe but not depicted on Form TS-406 dated June 18, 2014.
4. RTA-ML-141:
  - a. Welder ID U was marked on the pipe but not depicted on Form TS-406 dated June 21, 2014.
  - b. Welder ID W was shown on Form TS-406 dated June 21, 2014. On June 23, 2014, Spectra gave the PHMSA inspector a copy of a list of welders who were involved in this construction project (Qualified Welder List). The Qualified Welder List also listed alphabetically welder IDs A through V only. Based on the foregoing, there was no welder ID W as of June 21, 2014. Subsequently, Spectra gave the PHMSA inspector a copy of an updated Qualified Welder List that showed additional welders and welder IDs (Updated Qualified Welder List). The PHMSA inspector noticed that Welder ID W was added to the Updated Qualified Welder List either on or after June 23, 2014.
5. RTA-ML-134 through RTA-ML-140, RTA-ML-142 and RTA-ML-143: Welder ID W was shown on 9 welds listed on Form TS-406 dated June 21, 2014. As mentioned above, Welder ID W was added to the Updated Qualified Welder List either on or after June 23, 2014.

The above-mentioned documentation has the incorrect welder's ID; therefore, the ID of the welder who performed the welds on the pipeline at thirteen (13) separate locations was not documented. Thus, Spectra did not follow its written construction specification, *CS-PL1.7, Onshore Pipelines and Meter Stations* and/or *Construction Specification CS-NDE1.1, Non-Destructive Examination – Appendix*.

#### Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violations and has recommended that you be preliminarily assessed a civil penalty of \$58,700 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$30,200
2	\$28,500

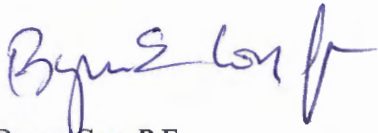
#### Response to this Notice

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). 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.

Please submit all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2015-1003** on each document you submit and please, whenever possible, provide a signed PDF copy in electronic format. Smaller files may be emailed to [Byron.Coy@dot.gov](mailto:Byron.Coy@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,

A handwritten signature in blue ink, appearing to read "Byron Coy".

Byron Coy, P.E.  
Director, Eastern Region  
Pipeline and Hazardous Materials Safety Administration

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