

April 15, 2015

Mr. Byron Coy  
Director, Eastern Region  
Pipeline and Hazardous Materials Safety Administration  
820 Bear Tavern Road  
Suite 103  
West Trenton, NJ 08628

**RE: Texas Eastern Transmission, LP Response  
Notice of Probable Violation (NOPV)  
CPF 1-2015-1003**

Dear Mr. Coy,

During the dates of June 23 – 27 and August 11 – 14, 2014, a representative of 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 (“TETLP”) (a subsidiary of Spectra Energy Partners, LP) (“SEP”<sup>1</sup>) TEAM 2014 Project in Sherman’s Dale and Perulack, Pennsylvania. On February 17, 2015, PHMSA issued the above reference Notice of Probable Violation alleging two (2) violations of pipeline safety regulations. The following is a brief summary of PHMSA’s findings and TETLP’s response.

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

**PHMSA Finding**

TETLP failed to construct its transmission line in accordance with its written construction specifications. The construction specifications require padding material around the pipe to be free of stones larger than 1½ inches in any dimension. The PHMSA inspector observed stones larger than 1½ inches in the backfill and observed the backfill machine to have a sifter grate with grid spacing of 2 inches by 2 inches.

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<sup>1</sup> On November 1, 2013, Spectra Energy Corp (“Spectra Energy”) completed the drop-down of substantially all of Spectra Energy Transmission’s remaining U.S. transmission, storage and liquids assets, including Texas Eastern Transmission, L.P. (“TETLP”), to Spectra Energy Partners, LP (SEP), a master limited partnership. A wholly owned subsidiary of Spectra Energy is the general partner of SEP.

### **TETLP Response**

TETLP acknowledges that the grid size of the sifter grate utilized in the backfill machine on June 26, 2014, on the Perulack Project was 2 inches by 2 inches and did not meet TETLP's specifications, but maintains that pipeline safety was not compromised, as further described below:

TETLP's construction specifications stated that "*Padding material imported to the work area or mechanically sifted from native trench soils shall be free of stones larger than 1½ in (38 mm) in any dimension.*" The PHMSA inspection occurred on June 26, 2014, the first day of padding and backfill on the project. Upon discovering that the sifter grate being utilized was ½ inch larger than allowed by the specifications, backfill activity was immediately halted until the proper sifter grate could be sourced. The sifter grate was replaced the next day with a 1½ inch by 1½ inch grid spacing and padding was allowed to resume. At the time of PHMSA inspection and resulting work stoppage, approximately 2,640 feet out of 33.7 miles of pipe had been padded.

With respect to the stones that were observed to be larger than allowed by the specifications, as described in the NOPV, these stones were predominantly flat pieces of shale stones approximately 1 inch – 2 inches wide and 3 inches long. TETLP recognizes that the specifications were poorly worded and impractical to comply with because, regardless of the grid size of the sifter grate (2 inch by 2 inch or 1½ inch by 1½ inch), it would not have prevented many of these thin, flat pieces of shale stones exceeding 1½ inches in length from passing. As a result, TETLP has since changed our specification to focus on the sifter grate size rather than stone size, consisting of the below wording:

*Padding material imported to the work area or mechanically sifted from native trench soils shall be required to pass through a screen with a 1 ½" x 1 ½" mesh size*

TETLP backfill specifications are intended to eliminate large stones from the padding material to prevent possible damage to the pipe coating during backfill and compaction operations. TETLP maintains that the risk and potential coating damage caused by a stone passing through a sifter grate with a grid size of 2 inches by 2 inches versus a sifter grate with a grid size of 1½ inches by 1½ inches, given the small difference in size of the stones that could pass through the incorrect screen, posed minimal additional risk to the pipe coating.

TETLP's construction specifications also require an electrical survey to be conducted on the installed pipe following completion of backfill, which is a secondary and additional layer of



protection to help assure the pipe coating is free from any damage during pipe installation and backfill. *CS-PL1.7, Onshore Pipelines and Meter Stations – Pipeline Cleaning, Inspection and Repairs, section 25C2*, states that “*The Contractor shall investigate and repair any detected holidays found by a D.C. Voltage Gradient Survey performed by the Company during or after backfill operations and before clean-up activities.*” TETLP conducted a Direct Current Voltage Gradient (“DCVG”) on all 33.7 miles of pipe after backfilling activities. The results of the electrical survey indicated only 12 locations that required remediation, however, none of these locations were within the 2,640 feet of pipe on the Perulack Discharge where the screen with the larger grid size was used. The DCVG survey on the 2,640 foot section of padded and backfilled pipe was performed on July 24, 2014. The fact that DCVG survey did not detect any coating damage in the 2,640 feet in question further validates TETLP’s position that the incorrect grate and padding material used prior to replacement of the sifter grate did not impact the integrity of the pipe coating or the safety of the pipeline. All of these 12 locations identified by the DCVG survey were investigated and coating damage, if found, was repaired as required.

TETLP will not contest PHMSA’s finding that TETLP did not follow its written specification. However, based on the facts stated above, TETLP maintains that pipeline safety was not compromised by the temporary use of a sifter grate that did not meet TETLP’s specifications and respectfully requests the elimination or reduction of the proposed civil penalty.

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

### **PHMSA Finding**

TETLP failed to construct its transmission line in accordance with its written construction specifications. TETLP’s construction specifications require recording of welder stencil numbers on *Form TS 406*. The PHMSA inspector identified several instances where the incorrect welder stencil number was recorded on *Form TS 406*.

### **TETLP Response**

TETLP acknowledges that on the Shermans Dale Project, clerical errors resulted in certain instances where the welder ID stenciled on the pipe did not match the associated documentation (*Form TS 406*) reviewed by the PHMSA inspector. However, TETLP maintains that pipeline safety was not compromised, since all welders on the project were

properly qualified and all girth welds were radiographically inspected as further described below:

The PHMSA inspection occurred on June 23, 2014, eight days after mainline welding had begun on the project. All pipe was visible and above ground supported on skids.

On nine welds, the clerical error involved the non-destructive testing (“NDT”) technician mistyping the welder stencil ID. In the other four instances, the clerical error involved the stencil recording error being inadvertently extended by the NDT technician when he “copied and pasted” the welder stencil references associated for the radiographs completed that day when filling in the *Form TS 406* electronically on his computer.

All welders on the project were rigorously tested and qualified in accordance with TETLP specifications, applicable regulations and American Petroleum Institute (“API”) Standard 1104, “*Welding of Pipelines and Related Facilities*” prior to any welding. TETLP requires Level II NDT technicians to examine all welds and Level III NDT technicians on construction projects be utilized for the auditing of the film produced by the Level II. TETLP provided the PHMSA representative on June 23, 2014, a list of all qualified welders on the projects and their assigned alphabetical welder ID reference from A through V. Therefore, the welder that was assigned a “U” that was recorded incorrectly by the technician as a “W” was indeed qualified and on the list. Since welder testing was ongoing at the time of the inspection, additional welders were being tested and qualified, and were assigned alphabetical welder IDs continuing on from “V”. Welder W was qualified on June 23, 2014. As such, an updated list with an additional welder was later provided to the PHMSA representative on June 24, 2014, which had welders IDs A through W.

TETLP’s construction process requires that all construction documents go through a daily quality assurance /quality control (“QA/QC”) review, including all *Form TS 406*, to assure there are no errors prior to being finalized as DOT records for the construction project. The NDT technician (*Form TS 406*) documents reviewed by the PHMSA representative on June 23, 2014, were conducted at the radiography truck in the field and had not yet gone through TETLP’s QA/QC process. Consequently, they were not considered final DOT construction records for the project.

TETLP has stringent construction practices that exceed the DOT regulations in many cases. As an example, TETLP procedures require 100% of girth welds be nondestructively tested for all pipeline projects, including the Shermans Dale Project. This significantly exceeds the regulations, which require only 10% of welds to be nondestructively tested in a Class 1 location and 15% in a Class 2 location. TETLP non-destructively tested 100% of all welds



on the Shermans Dale Project even though it's located primarily in Class 1 and Class 2 locations where the regulations require a much lower percentage of testing.

Upon identification of the clerical errors by the PHMSA inspection, TETLP immediately field reviewed the all welder stencils against the radiography inspection records and corrected and updated the thirteen (13) separate locations in question on the *Form TS 406*.

In summary, TETLP maintains that the clerical error identified by the PHMSA inspector did not compromise pipeline safety, since all welders on the project were properly qualified and all girth welds were radiographically inspected. Furthermore, the documentation reviewed by the PHMSA inspector had not been subjected to TETLP's QA/QC process, and some of the clerical errors may have been corrected through that process.

TETLP will not contest PHMSA's finding that TETLP did not follow its written specification. However, based on the facts stated above, TETLP maintains that pipeline safety was not compromised by the clerical error that resulted in the incorrect welder stencils being recorded, and respectfully requests the elimination or reduction of the proposed civil penalty.

Given the facts detailed above, TETLP respectfully requests PHMSA credit TETLP with the diligence associated with a good faith effort to continuously improve, apply a lesser culpability and eliminate or reduce the civil penalties. TETLP received no economic benefit from these actions. We look forward to PHMSA's response.

Please call me at (713) 627-6388 if you have any questions or comments.

Sincerely,



Rick Kivela  
Director, Operational Compliance