



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

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

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

August 4, 2015

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

CPF 1-2015-1017W

Dear Mr. Drake:

From June 22 to 25, 2015, 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) DOT Replacement Armagh project in Munster, 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 violation(s) 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 follow its written construction specifications during construction of its transmission line. Specifically, Spectra did not document the environmental conditions during coating application on an inspection frequency of nominally one weld per hour minimum, as required by its written construction specifications *CS-PC1.6, Field Application of Liquid Epoxy Coating*.

Spectra's written construction specification *CS-PC1.6, Field Application of Liquid Epoxy Coating, Revision Date 2/11/2014, Section 8, 8A1 & 8A1.1*, states that "Company coating inspector shall document (See Form TS-035) the following on an inspection frequency of nominally one weld per hour minimum: Environmental conditions (temperature, RH, dew point)."

During the field inspection conducted the week of June 22, 2015, the PHMSA inspector reviewed Daily Coating Application Inspection Reports (Below Ground), Form TS-035.3, for the Line 12 and Line 19 DOT replacement project. The report dated May 29, 2015 indicated 23 welds on Line 12 were coated with SP-2888-RG liquid epoxy coating on this date from 0800 EST to approximately 1330 EST. Of these 23 welds, 12 consecutive welds coated from 800 EST to 1100 EST indicated identical readings for temperature, relative humidity, and dew point. All 23 welds had identical relative humidity values of 61% annotated in this record. Two unique dew points were annotated in the record of 51°F and 45°F. Three unique temperatures were annotated in the record of 64.9°F, 71°F and 75°F, with 64.9°F recorded for 15 total welds spanning 0800 EST to 1145 EST.

The data entered on this record indicates that new hourly measurements were not being captured. A subsequent review of the field notes from the coating inspector's notebook, provided after the inspection, documents only two sets of measurements taken at 0800 EST (64.9°F Temp, 51°F dew point, 61% RH) and at 1100 EST (65°F Temp, 52°F dew point, no RH noted). No other values were present in the field notes for temperature, dew point or relative humidity.

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 performed coating application when the relative humidity exceeded 85%, as prohibited by its written construction specifications *CS-ABC.0, Painting and Coating - Section I - General Requirements*.

Spectra's written construction specification *CS-ABC.0, Painting and Coating - Section I - General Requirements, Orig. Issue Date 1/23/2014, Section 11, 11D6*, states in part "Except in Company-identified special application situations, the surface temperature shall be 5°F (3°C) minimum above the dew point, and the humidity shall be 85% maximum."

During this field inspection conducted the week of June 22, 2015, the PHMSA inspector reviewed Daily Coating Application Inspection Reports (Below Ground), Form TS-035.3, for the Line 12 and Line 19 DOT replacement project. The report for June 3, 2015, indicated that tie in weld RTB-TI-074 on Line 12 was coated when the relative humidity was 87% with a temperature of 56°F and a dew point of 52°F. This tie-in weld is not considered a special application situation under *Section 13D* of Spectra's construction specification *CS-ABC.0, Painting and Coating - Section I - General Requirements*, and thus is subject to the 85% maximum relative humidity requirement.

The inspector noted high fluctuation in the field regarding the equipment used to measure these values, the Fluke 971, with a +/-2.5 % relative humidity error according to Fluke's product specifications. Field notes from the coating inspector were reviewed, which show a value recorded in their notebook of 83% for relative humidity at the time of this weld. Spectra attributed the 87% value to a typographical error.

However, historical local weather data from a nearby KJST Johnstown-Cambria Co Airport (acquired online from wunderground.com) indicates humidity levels on June 3, 2015 ranged from 86% to 93%, with 2:54 PM data (exact time noted on the record) indicating a 55.9°F temperature, a 52°F dew point, and an 87% relative humidity, matching what was recorded on the reviewed record in question. Additionally, established methods for calculating relative humidity from temperature and dew point using the Clausius-Clapeyron equation with August-Roche-Magnus approximation yield a relative humidity % of 86.41% given the values recorded on the record and 86.72% for the values found on the historical weather data.

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. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Texas Eastern Transmission LP being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to CPF 1-2015-1017W. Please send all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. 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).

Sincerely,

Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration