

July 24, 2015

Mr. Greg Ebel
President and Chief Executive Officer
Maritimes and Northeast Pipeline, LLC
5400 Westheimer Court
Houston, TX 77056

Re: CPF No. 1-2014-1011

Dear Mr. Ebel:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$34,500. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated November 12, 2014. This enforcement action is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Byron Coy, Director, Eastern Region, OPS
Mr. J.A. Drake, Vice President, Operations & EHS, Maritimes and Northeast Pipeline,
LLC

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)	
)	
Maritimes and Northeast Pipeline, LLC,)	CPF No. 1-2014-1011
)	
Respondent.)	
)	

FINAL ORDER

On January 2, 2014, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), initiated an investigation of an incident involving the pipeline system of Maritimes and Northeast Pipeline, LLC (MNE or Respondent) in Searsmont, Maine. MNE is a 684-mile transmission pipeline system built to transport natural gas from developments offshore Nova Scotia to markets in Canada and the northeastern United States.¹ MNE is a joint venture of Spectra Energy Partners, Emera Inc., and ExxonMobil.

The investigation arose out of a release of gas at the Maritimes and Northeast Searsmont Compressor Station that occurred on December 31, 2013. The release was caused by the unintentional opening of an emergency shutdown (ESD) system blow down valve. The total amount of gas released as a result of this incident was approximately 70 million standard cubic feet.

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated October 27, 2014, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that MNE had violated 49 C.F.R. § 191.5(a) and proposed assessing a civil penalty of \$34,500 for the alleged violation.

MNE responded to the Notice by letter dated November 21, 2014 (Response). The company did not contest the allegations of violation and paid the proposed civil penalty of \$34,500, as provided in 49 C.F.R. § 190.227. Payment of the penalty serves to close the case with prejudice to Respondent.

¹ <http://www.mnpp.com/us/> (last accessed June 4, 2015).

FINDING OF VIOLATION

In its Response, MNE did not contest the allegation in the Notice that it violated 49 C.F.R. Part 191, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 191.5(a), which states:

§ 191.5 Immediate notice of certain incidents.

(a) At the earliest practicable moment following discovery, each operator shall give notice in accordance with paragraph (b) of this section of each incident as defined in § 191.3.

The Notice alleged that Respondent violated 49 C.F.R. § 191.5(a) by failing to give notice in accordance with §191.5(b) at the earliest practicable moment following the discovery of an incident as defined in § 191.3. Specifically, the Notice alleged that MNE failed to notify the National Response Center of the natural gas release that occurred on December 31, 2013, at the earliest practicable moment following discovery. Respondent did not contest this allegation of violation, but stated that it did not believe this gas release needed to be reported because the gas was released through a blow down valve which is designed for this purpose. However, the opening of this valve was unintentional, in that it did not occur during a scheduled activity in accordance with regular operation and maintenance. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 191.5(a) by failing to give notice in accordance with §191.5(b) at the earliest practicable moment following the discovery of an incident as defined in § 191.3.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.² In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require. The Notice proposed a total civil penalty of \$34,500 for the violations cited above.

² The Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011, Pub. L. No. 112-90, § 2(a)(1), 125 Stat. 1904, January 3, 2012, increased the civil penalty liability for violating a pipeline safety standard to \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.

Item 1: The Notice proposed a civil penalty of \$34,500 for Respondent's violation of 49 C.F.R. § 191.5(a), for failing to give notice in accordance with §191.5(b) at the earliest practicable moment following the discovery of an incident as defined in § 191.3. MNE neither contested the allegation nor presented any evidence or argument justifying a reduction in the proposed penalty. Any unintentional release of gas can pose a hazard to the facility, the public, and the environment, and MNE was fully culpable for this violation. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$34,500 for violation of 49 C.F.R. § 191.5(a). MNE has paid the proposed civil penalty of \$34,500, as provided in 49 C.F.R. § 190.227.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued