



Maritimes & Northeast Pipeline, L.L.C.
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November 21, 2014

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

**RE: CPF 1-2014-1011
Notice of Probable Violation
Maritimes & Northeast Pipeline, LLC**

Dear Mr. Coy:

On October 27, 2014, the Pipeline and Hazardous Materials Safety Administration (“PHMSA”) issued a Notice of Probable Violation (“NOPV”) to Maritimes & Northeast Pipeline, LLC (“MNE”) relating to a December 31, 2013 release of gas at MNE’s Searsmont Compressor Station in Maine. This letter is MNE’s response to this NOPV.

The gas release at MNE’s Searsmont Compressor Station occurred at approximately 11:54 pm Eastern time on December 31, 2013. The gas release was caused by the inadvertent opening of an emergency shutdown (“ESD”) blow down valve. Additionally, one of ESD isolation valves did not close, resulting in additional gas release from the pipeline. The gas was safely released through the ESD vent valve until remote controlled valves on the pipeline were closed by MNE’s control room operator. Approximately 70 million standard cubic feet (MMSCF) was released.

At the time of the event, MNE considered this to be an “abnormal operation” under 49 CFR 192.605(c), which states:

- (c) Abnormal operation. For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:*
 - (1) Responding to, investigating, and correcting the cause of:*
 - (i) Unintended closure of valves or shutdowns;*
 - (ii) Increase or decrease in pressure or flow rate outside normal operating limits;*
 - (iii) Loss of communications;*
 - (iv) Operation of any safety device; and,*
 - (v) Any other foreseeable malfunction of a component, deviation from normal operation, or personnel error which may result in a hazard to persons or property.*

MNE believes classifying the Searsmont gas release as an abnormal operation was a reasonable interpretation, as this event met the definition above. At the time of the event, MNE did not consider a release of gas from a blow down valve to be a reportable incident as defined in 49 CFR 191.3. MNE’s understanding of the original intent of reporting certain events to the National Response Center (“NRC”)

immediately following certain events is to assure expedited response to events that pose a hazard to persons or property. During the Searsmont event, the gas was released through a designed blow down valve, thus did not create a hazard and did not require emergency response. In fact, if the same amount of gas was released from the same vent due to a scheduled maintenance activity, the regulations are clear that it would not be classified as a reportable incident and thus would not require reporting to the NRC.

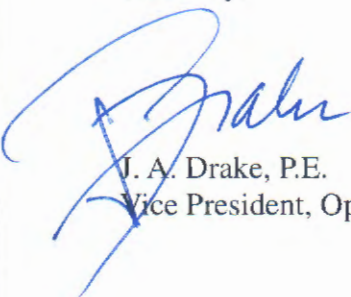
PHMSA issued revisions to 49 CFR 191.3 on November 26, 2010 that changed the definition of a reportable incident to include an event that resulted in the unintentional release of 3 MMSCF of natural gas. MNE is not aware of any guidance from PHMSA to provide clarity regarding events that an operator should consider "intentional" versus those that should be considered "unintentional". For example, should an operator classify an event where a relief valve releases 3 MMSCF due to an overpressure situation to be different than an event where that same relief valve releases the same volume of gas due to a malfunction?

PHMSA's interpretation and enforcement position will cause an increase in the number of reportable incidents for events that are solely due to gas releases from systems specifically designed to vent gas with no hazard to people or property. MNE believes operators will be prompted to over-report abnormal operation events as reportable incidents to avoid potential enforcement actions. This will significantly increase the number of reportable incidents and thus impact incident trends. At a number of public meetings and other forums, PHMSA and pipeline safety advocates have expressed concern that natural gas transmission pipeline reportable incident numbers are flat or increasing slightly. Since events such as the Searsmont gas release pose no danger to persons or property, MNE urges PHMSA to track separately and communicate the number of incidents that are reported solely due to the 2010 regulatory change to avoid the perception of a decreasing trend in the safety of natural gas transmission pipelines.

MNE has reviewed PHMSA's interpretation, as stated in the NOPV. While MNE believes its interpretation was reasonable, MNE recognizes PHMSA has a different interpretation and will not contest this finding. MNE has paid the proposed civil penalty of \$34,500.

MNE has implemented appropriate changes to processes and procedures to address PHMSA's interpretation of this issue. Please contact Rick Kivela at (713) 627-6388 if you have any questions or comments.

Sincerely,



J. A. Drake, P.E.
Vice President, Operations and EHS