



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
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

OVERNIGHT EXPRESS MAIL

April 04, 2012

Theopolis Holeman
Vice President, Eastern Operations
Spectra Energy Transmission, LLC
5400 Westheimer Court
Houston, TX 77056

CPF 120121007

Dear Mr. Holeman:

During the week of November 29, 2010, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Texas Eastern Transmission, LP (TETCO) gas pipeline transmission system in the vicinity of South Plainfield, New Jersey.

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. 192.709 Transmission lines: Record keeping.

Each operator shall maintain the following records for transmission line for the periods specified:

- (c) A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer.**

TETCO failed to properly document the completion of a prescribed requirement to operate a valve that might be used during an emergency.

The operator’s records were incorrect since they indicated that three valves that might be used in an emergency had not been partially operated as part of the annual valve inspections required by Part §192.745(a). The Operator stated that upon interviewing employees, they discovered that the valves had been operated, but they entered the wrong code into the record, which resulted in the erroneous entry.

The probable violation is based upon discussions with the operator as summarized in an email, dated 4/15/2011, drawings of the Lambertville Compressor Station and a review of the operator’s work orders.

2. §192.745 Valve maintenance: Transmission lines.

(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.

TETCO’s records indicated that four valves that might be used in an emergency per 192.745(a), were not partially or fully operated during the indicated calendar year.

In discussions with the operator, information summarized in an email from the operator, dated 4/15/2011, drawings of the Lambertville Compressor Station and the operator’s work orders, it was determined that the valves were not partially or fully operated as required by 192.745(a).

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of **\$5,100** as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$5,100

Proposed Compliance Order

With respect to item 2, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to TETCO. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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. 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). 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 120121007** 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. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Texas Eastern Transmission, LLC (TETCO) a Compliance Order incorporating the following remedial requirements to ensure the compliance of TETCO with the pipeline safety regulations:

1. In regard to Item Number 2 of the Notice pertaining to TETCO's failure to operate valves that might be used during an emergency, TETCO will review its entire inventory of valves within a 50 mile radius of South Plainfield, NJ to properly classify those valves that might be used in an emergency. TETCO shall revise its Standard Operating Procedure 5-5010 to specify those classifications of valves that might be used in an emergency per §192.745(a). Additionally, each valve shall be identified and listed in its EAM Solution (Maximo) or other data management system to schedule and document maintenance on applicable valves.
3. With respect to the requirements in 1, above, the operator shall complete these functions within 120 days of execution of the Final Order.
4. It is requested (not mandated) that TETCO maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Byron Coy, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.