



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern RD
Suite 306
West Trenton, NJ 08628

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 14, 2009

Mr. Greg Bilinski
Vice President, Operations
Spectra Energy Transmission, LLC
5400 Westheimer
Houston, Texas 77056

CPF 1-2009-1004W

Dear Mr. Bilinski:

During May 2008, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) and the New York Public Service Commission, pursuant to Chapter 601 of 49 United States Code inspected your Texas Eastern Transmission, LP (TETCO) facilities in Hanover, New Jersey and Staten Island, New York.

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. §192.467 External corrosion control: Electrical isolation.

(c) Except for unprotected copper inserted in a ferrous pipe, each pipeline must be electrically isolated from metallic casings that are a part of the underground system. However, if isolation is not achieved because it is impractical, other measures must be taken to minimize corrosion of the pipeline inside the casing.

TETCO has a shorted casing in Linden, NJ. (MP 1469.7 to 1473.8) in a Class 3 area. TETCO's written procedures require that the shorted casing be leak surveyed quarterly, not to exceed 4 months. TETCO twice exceeded the 4-month interval: July 25 to December 1, 2006 and December 1, 2006 to April 3, 2007.

The probable violation is based on TETCO's Pipeline Patrol and Leak Survey Reports for the specified time periods.

2. §192.727 Abandonment or deactivation of facilities.

(c) Except for service lines, each inactive pipeline that is not being maintained under this part must be disconnected from all sources and supplies of gas; purged of gas; in the case of offshore pipelines, filled with water or inert materials; and sealed at the ends. However, the pipeline need not be purged when the volume of gas is so small that there is no potential hazard.

At the Hanover, New Jersey compressor station, there are two Pratt and Whitney compressor units which TETCO has not operated since 2002. It is our understanding that TETCO is planning to remove these compressors from service and has not performed valve maintenance on the suction and discharge valves associated with these compressor units since 2002 due to the pending abandonment of these facilities. Since these pipeline facilities have been inactive and not maintained since 2002, TETCO should have disconnected the compressor units from all sources and supplies of gas, purged the inactive facilities, and sealed at the ends.

This probable violation is based upon the valve/regulator testing sheets for the years 2006 and 2007.

3. §192.727 Abandonment or deactivation of facilities.

(g) For each abandoned offshore pipeline facility or each abandoned onshore pipeline facility that crosses over, under or through a commercially navigable waterway, the last operator of that facility must file a report upon abandonment of that facility...

The information in the report must contain all reasonably available information related to the facility, including information in the possession of a third party. The report must contain the location, size, date, method of abandonment, and a certification that the facility has been abandoned in accordance with all applicable laws.

Between July 15 and July 19, 2002, TETCO abandoned a pipeline underlying the navigable waterway, Arthur Kill, in the states of New Jersey and New York. The pipeline was Line 1R, a transmission line 0.46 miles in length. This abandoned pipeline was not reported to PHMSA as required by the regulation.

The evidence for the probable violation is the operator's Pipeline Deactivation Report.

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. 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 items identified in this letter. Failure to do so will result in TETCO 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 1-2009-1004W**. 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 E. Coy, P.E.
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration