

NOTICE OF PROBABLE VIOLATION PROPOSED COMPLIANCE ORDER

VIA ELECTRONIC MAIL TO: cynthia.hansen@enbridge.com;
Michael.koby@enbridge.com; leo.rosasjr@enbridge.com

January 18, 2024

Cynthia Hansen
EVP & President Gas Transmission and Midstream
ENBRIDGE INC.
915 North Eldridge Parkway, Suite 1100
Houston, TX 77079

CPF 3-2024-007-NOPV

Dear Ms. Hansen:

From March 28 through September 23, 2022, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected the Enbridge_Gas_Spectra_East_Tenn inspection system (ETNG) which consists of two of Enbridge Inc.'s subsidiaries, namely, East Tennessee Natural Gas, LLC and Saltville Gas Storage Company, LLC, across Alabama, Georgia, North Carolina, Tennessee, and Virginia.

As a result of the inspection, it is alleged that ETNG has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. § 192.479 Atmospheric corrosion control: General.

(a) Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

ETNG failed to provide protection against atmospheric corrosion by cleaning and coating each pipeline or portion of pipeline that is exposed to the atmosphere. Specifically, during the field inspection of Unit 6582, at or near milepost 30.9, the PHMSA inspectors observed bare exposed pipe in a creek bed. While ENTG's latest atmospheric inspection,

completed on September 29, 2021, identified this site as needing repair, ENTG did not initiate a project to repair this exposure. PHMSA's field observation, which was documented with photographic evidence, shows that ETNG failed to provide protection against atmospheric corrosion on its pipeline by cleaning and coating each portion of pipeline that is exposed to the atmosphere, in violation of § 192.479(a).

2. § 192.705 Transmission lines: Patrolling.

(a) Each operator shall have a patrol program to observe surface conditions on and adjacent to the transmission line right-of-way for indications of leaks, construction activity, and other factors affecting safety and operation.

ETNG failed to maintain the right-of-way (ROW) at an appropriate level for the type of patrols that were being done. Specifically, ETNG solely conducted aerial patrols of its ROWs. During PHMSA's ROW inspections, inspectors observed 12 overgrown areas, with some areas having tree growth canopied over the pipeline.

Patrolling of ROWs is essential to help identify potential problems from third-party activities along the pipeline and observing for indications of leaks. The surface conditions of the ROW and adjacent areas cannot be adequately inspected by aerial patrolling when those areas are obstructed by an overhanging tree canopy. No other methods of patrolling were conducted in these locations at the time of the field inspection. Therefore, by failing to adequately maintain its ROWs, ETNG failed to follow § 192.705(a).

3. § 192.750 Launcher and receiver safety.

Any launcher or receiver used after July 1, 2021, must be equipped with a device capable of safely relieving pressure in the barrel before removal or opening of the launcher or receiver barrel closure or flange and insertion or removal of in-line inspection tools, scrapers, or spheres. An operator must use a device to either: Indicate that pressure has been relieved in the barrel; or alternatively prevent opening of the barrel closure or flange when pressurized, or insertion or removal of in-line devices (e.g. inspection tools, scrapers, or spheres), if pressure has not been relieved.

ETNG failed to maintain the pig trap safety devices in working order. Specifically, during field inspections, PHMSA inspectors noted at seven locations safety chain/cable deficiencies. The safety chain/cable is used to prevent the pig trap's door from being opened without first removing a plug to ensure that pressure has been relieved within the pig trap. These safety chain/cable deficiencies would allow the pig trap door to be opened without first removing the plug, posing safety concerns.

Following PHMSA's inspection, ETNG has completed repairs to the safety chain/cable at each location. By failing to maintain the safety chain/cable at seven locations, ETNG failed to follow § 192.750.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to propose a civil penalty assessment at this time.

Proposed Compliance Order

With respect to Items 1, 2 and 3, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to East Tennessee Natural Gas, LLC. 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 Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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).

Following your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 3-2024-007-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Gregory A. Ochs
Director, Central Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

cc: Michael Koby – Michael.koby@enbridge.com
Leo Rosas Jr. – leo.rosasjr@enbridge.com

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

PROPOSED COMPLIANCE ORDER

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

- A. In regard to Item 1 of the Notice pertaining to protection against atmospheric corrosion, ETNG must submit a schedule for repair of the relevant pipe section within **90** days of receipt of the Final Order. ETNG must also submit evidence of the completed repair within **30** days after it is complete.
- B. In regard to Item 2 of the Notice pertaining to maintaining the ROW, ETNG must submit a schedule for clearing the locations noted in the violation report or perform alternative ROW inspection methods within **90** days of receipt of the Final Order. ETNG must also submit evidence of the completed clearing within **30** days after it is done or its plan to continue ROW inspections with an acceptable inspection method in these locations.
- C. In regard to Item 3 of the Notice pertaining to pig trap safety devices, ETNG must train its staff to ensure these safety devices are maintained within **90** days of receipt of the Final Order. ETNG must also submit documentation of the completed training within **120** days of receipt of the Final Order.
- D. Should any of the above Proposed Compliance Order items extend beyond 90 days to complete, ETNG must submit on the 91st day a report on all outstanding work necessary to implement the Compliance Order. Follow-up reports must be submitted every 90 days thereafter until all work necessary to implement the Compliance Order items is completed and the Final Order closed. Such reports shall be submitted to Gregory A. Ochs, Director, OPS Central Region, Pipeline and Hazardous Materials Safety Administration.
- E. It is requested that ETNG maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Gregory A. Ochs, Director, OPS Central 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.