U.S. Department
of Transportation

Pipeline and Hazardous Materials Safety Administration

1200 New Jersey Avenue, SE
Washington, D.C. 20590

SEP 1 0 2009

Mr. Gregory P. Bilinski
Vice President
Spectra Energy
P.O. Box 1642
Houston, TX 77251-1642

Dear Mr. Bilinski:

On December 22, 2008, you wrote to the Pipeline and Hazardous Materials Safety Administration (PHMSA) to request an interpretation of §§ 192.620(c)(6), (d)(5)(ii), (d)(10)(iii) and (d)(11)(ii)(A).

Pursuant to Chapter 601, Title 49, United States Code, PHMSA has responsibility for protecting against risks to life, property, and the environment posed by pipelines. In carrying out its responsibilities, PHMSA has established design, construction, operation, and maintenance standards and regulations for gas pipelines and has responsibility for enforcing these requirements.

Our interpretations to your requests are as follows:

Question: Texas Eastern Transmission, LP (TETLP) reads the § 192.620(c)(6) language as applying to construction commencing after the effective date of the [maximum allowable operating pressure (MAOP)] Final Rule and not to construction prior to the effective date on existing pipelines. TETLP requests an interpretation clarifying that § 192.620(c)(6) does not apply retroactively to the existing segments of TETLP's Lines 1 and 2 covered by the proposed special permit.

Response: All construction tasks associated with implementing alternative MAOP must comply with § 192.620(c)(6), regardless of when the task was performed. In cases where previously completed construction tasks do not fully comply with § 192.620(c)(6), such as pipelines constructed prior to the effective date of the rule, operators may apply for a special permit in order to get relief from this requirement.

Question: On § 192.620(d)(5)(ii)) - TETLP is reviewing customer separation equipment for receipt points on the pipelines covered by the proposed special permit. TETLP requests an interpretation from PHMSA clarifying that properly designed separation equipment operated by TETLP's customers will satisfy this requirement.

Response: Part 192 applies to operators of pipelines. This includes design, construction, operational, maintenance, integrity management, operator qualification, and all other requirements. All requirements must be implemented by pipeline operators. Customers of the operator who are not themselves pipeline operators are not obligated to comply with Part 192 and PHMSA has no enforcement authority over them. TETLP is directly responsible for compliance with 192.620(d)(5)(ii) as it applies to its pipelines and must document the monitoring it conducts to ensure that contaminants that could contribute to corrosion are not present in its pipeline. If separation equipment owned and operated by one of TETLP's customers was operated improperly or otherwise failed to perform adequately resulting in contaminants entering the pipeline, TETLP would be obligated to correct the problem by addressing the situation with the customer, but PHMSA would hold TETLP responsible for the circumstances leading to and resulting from the failure to protect against any corrosion occurring in its pipeline.

Question: On § 192.620(d)(10)(iii)) - TETLP requests an interpretation from PHMSA to clarify that direct examination techniques are acceptable alternatives to external corrosion direct assessment ("ECDA") or internal corrosion direct assessment ("ICDA") for non-piggable segments operating at the alternate design factors. TETLP believes that direct examination techniques can be more effective and provide a better assessment than ECDA and ICDA for short segments of non-piggable lines.

Response: In accordance with National Association of Corrosion Engineers (NACE) 0502-2002, Section 3.4.1.3, 100 percent direct examination is an acceptable method and complies with § 192.925. American Society for Testing and Materials (ASME) B31.8S, Section 6.1 also indicates that operators may choose to conduct direct examination of the entire length of the segment being assessed. To address external corrosion and dents, operators must make detailed measurements and/or maps of the metal loss and/or indentation. To address internal corrosion, operators must examine the pipe for internal metal loss by Non-Destructive Evaluation (NDE) methods such as ultrasonic testing. To address stress corrosion cracking (SCC), operators must examine the pipe for SCC by NDE methods such as magnetic particle inspection. (See also § 192.939 as it relates to the maximum intervals for each of the different reassessment methods.)

Question: In the rule, § 192.620(d)(11)(ii)(A) requires that a dent discovered during the baseline assessment for integrity under paragraph (d)(9) that meets the criteria in § 192.309(b) be repaired. In the preamble of the Final Rule, PHMSA states,

> *"With respect to dents, the repair criteria of §192.309(b) apply only for dents found during construction baseline assessments (i.e., for new pipelines). PHMSA notes that this section already requires repair of two percent dents for pipelines over 12-3/4 inches in diameter. The criteria for repairing dents on existing pipelines and subsequent assessments on new pipelines and existing pipelines are in § 192.933(d)."* (73 FR 62165)

TETLP agrees with PHMSA's stated intent, however, points out that the language in the Final Rule does not reflect this intent. The Final Rule language could be interpreted to require dents in existing lines to be remedied in accordance with § 192.309(b) and § 192.933(d). TETLP requests an interpretation from PHMSA to clarify that § 192.309(b) is applicable only to new

pipelines, and that dents identified by baseline assessments for existing pipelines are to be remedied in accordance with § 192.933(d).

Response: The excerpt of the preamble of the final rule cited in the question merely acknowledges that the pre-existing § 192.309(b) applied to new pipelines under construction and that the pre-existing § 192.933(d) applied to existing operational pipelines. As stated in the initial paragraph of the response....

> *"PHMSA recognizes that the repair criteria in this rule are more stringent than those in subpart O. PHMSA considers this appropriate. A pipeline that will operate under alternative MAOP is subject to more stress and has less wall thickness margin to failure than most pipelines operating under subpart O (with the exception of some grandfathered lines)."*

The repair criteria in § 192.620(d)(11)(ii) are intended to require that dents in existing lines implementing alternative MAOP must be repaired if they meet criteria in either § 192.309(b) [per § 192.620(d)(11)(ii)(A)] or § 192.933(d) [per § 192.620(d)(11)(ii)(B)]. This is intended to assure that existing pipelines that will be operated at stress levels allowed by the alternative MAOP rule are in "like new" condition with respect to dent defects.

I hope that this information is helpful to you. If I can further assist you with this or any other pipeline safety regulatory matter, please contact me at (202) 366-4046.

Sincerely,

John A. Gale
Director, Office of Regulations

Texas Eastern Transmission, LP
5400 Westheimer Court
Houston, TX 77056-5310
713.627.5400 main

Mailing Address:
P.O. Box 1642
Houston, TX 77251-1642

Spectra Energy

JAN 07 2009

December 22, 2008

Mr. Jeff Wiese
Associate Administrator for Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
1200 New Jersey Ave., S.E., East Building
Washington, D.C. 20590

RE: Docket No. PHMSA-2008-0257
Petition for Special Permit
Texas Eastern Transmission, L.P.

Dear Mr. Wiese,

On September 11, 2008, Texas Eastern Transmission, L.P. ("TETLP") petitioned the Pipeline and Hazardous Materials Safety Administration ("PHMSA") for a special permit to increase the maximum allowable operating pressure ("MAOP") of a portion of its pipeline system in Pennsylvania from 1,000 psig to 1,112 psig. The special permit petition requested a waiver under Section 60118(c) of the United States Federal Code from the requirements of Sections 192.111, 192.201, 192.611, and 192.619 of Title 49 of the Code of Federal Regulations to allow this MAOP increase.

Since the petition was filed, PHMSA has issued a final rule, "*Pipeline Safety: Standards for Increasing the Maximum Allowable Operating Pressure for Gas Transmission Pipelines*" ("Final Rule"), that provides regulations for operation of new and existing pipelines using higher design factors. In the preamble of the final rule, PHMSA indicated they would no longer process special permit requests as operators would be expected to comply with the Final Rule to increase their MAOP. TETLP has reviewed the Final Rule, and has determined that segments of TETLP's Lines 1 and 2 substantially meet most of the requirements of the Final Rule. TETLP Lines 1 and 2 do not retroactively meet a limited number of the specified requirements in the Final Rule, such as the those requirements regarding pipe and coating manufacturing testing and inspection, construction inspection, and operator qualification requirements for previous construction. In some cases, the specified requirements were not yet recognized as "best practice", in other cases, the specified requirements were substantially met but supporting documentation does not exist.

Through the course of several discussions, PHMSA has indicated to TETLP that PHMSA would consider a special permit to waive specific requirements of the Final Rule, and

recommended that TETLP to submit a letter requesting a modification to TETLP's September 11, 2008 special permit petition. TETLP hereby requests its special permit petition for segments of TETLP Lines 1 and 2 be amended as detailed in this letter to request a limited number of specific requirements of the Final Rule be waived to allow the proposed MAOP uprate.

Specifically, TETLP requests a limited Special Permit that waives the requirements of the following sections:

- 49 CFR 192.112(a)(1)
- 49 CFR 192.112(c)(1)
- 49 CFR 192.112(c)(2)(i)
- 49 CFR 192.112(c)(2)(ii)
- 49 CFR 192.112(c)(2)(iii)
- 49 CFR 192.112(d)(2)(i)
- 49 CFR 192.112(f)(1)
- 49 CFR 192.620(d)(5)(iii)

In addition, TETLP requests an interpretation of the requirements of the following sections of the rule as they pertain to existing pipelines:

- 49 CFR 192.112(d)(1)
- 49 CFR 192.112(d)(2)
- 49 CFR 192.620(c)(6)
- 49 CFR 192.620(d)(5)(ii)
- 49 CFR 192.620(d)(7)(i)
- 49 CFR 192.620(d)(7)(ii)
- 49 CFR 192.620(d)(10)(iii)
- 49 CFR 192.620(d)(11)(ii)(A)

BACKGROUND

The proposed special permit would apply to TETLP's 36-inch Lines 1 and 2 from its Uniontown, PA compressor station to a mainline regulating station approximately 7 miles west of its Lambertville, NJ compressor station (See Appendix A for a map of the TETLP pipeline system and Appendix B for a schematic showing the scope of the proposed uprate). The MAOP uprate is part of two proposed pipeline capacity expansion projects, called the TEMAX and TIME III Projects (See Appendix C for a TEMAX and Time III facilities map). These proposed projects will increase U.S. natural gas transportation and supply reliability by connecting natural gas from the Rocky Mountains to growing markets throughout Pennsylvania and the Northeast region. TETLP has commenced with the FERC pre-filing process for the TEMAX and TIME III Project FERC under Docket #PF08-27.

Under the increased pressure of 1,112 psig, these pipeline segments would operate as high as 80% of specified minimum yield strength ("SMYS") in Class 1, 67% of SMYS in Class 2 and 56% of SMYS in Class 3 areas. There are currently no Class 4 areas on the system, and TETLP does not propose to include any future Class 4 areas under this special permit. Additionally, TETLP does not propose to operate the compressor stations or meter stations under the alternate design factors specified in the Final Rule.

TETLP has performed a thorough evaluation of the pipeline segments covered by the proposed special permit and has concluded that these segments can safely and reliably operate at the higher MAOP. This evaluation included reviews of the pipeline design, fracture control, materials and construction, as well as their operating and maintenance history. This evaluation also included recommendations for any additional integrity management activities needed to ensure improved pipeline safety at the higher operating pressures. The original special permit petition includes details of this evaluation. As a result of TETLP's review of the Final Rule, TETLP is proposing additional integrity management activities beyond those proposed in the September 11, 2008 petition to address specific issues in the Final Rule. The proposed integrity management activities are summarized later in this letter.

MODIFIED SPECIAL PERMIT REQUEST

TETLP has reviewed the Final Rule, and has determined the pipelines covered by the proposed MAOP increase do not retroactively meet a limited number of the specified requirements of the Final Rule. TETLP largely agrees with the technical conditions specified for construction of new pipelines to operate at 80% SMYS, however these same conditions applied to existing pipelines are not realistically achievable in every case. Specifically, some of the detailed requirements regarding pipe fabrication, inspection and testing have been applied only very recently as "best practices" and are not typical for pipelines constructed at the time of TETLP Lines 1 and 2. In other case, documentation is difficult to produce to demonstrate full compliance that all specified conditions are met. However, in many cases, documentation exists to demonstrate that requirements are substantially met.

TETLP hereby modifies its original special permit petition filed on September 11, 2008 to request PHMSA to waive the requirements of the sections of the Final Rule specified below. Each section of the Final Rule to be included in the modified special permit request is shown in italics, followed by a description of the specific requirement for which TETLP requests a special permit. In some cases, TETLP is requesting an interpretation of the Final Rule language rather than a special permit.

49 CFR 192.112(a)(1)
The plate, skelp, or coil used for the pipe must be micro-alloyed, fine grain, fully killed, continuously cast steel with calcium treatment.

The plate used for the pipe is continuous cast, micro-alloyed, fine grain, and fully killed. The micro-alloy content is demonstrated by the presence of titanium, vanadium and niobium in the mill test report documentation. The silicon composition of 0.2% (nominal) demonstrates that the material was fully killed. Calcium treatment was applied for a large majority of the pipe, but documentation is not available for each individual pipe supplier.

The original purpose of calcium addition as a sulfide shape control element became obsolete by the time TETLP Lines 1 and 2 were constructed due to the already low levels of sulfur in the steel composition. Calcium treatment is now primarily used to increase pipe toughness. Since each pipe supplier achieved adequate toughness to meet the ductile fracture arrest conditions specified by PHMSA in the Final Rule, TETLP believes it has met the intent of this provision and requests the proposed special permit include a waiver from the requirement for calcium treatment for existing segments of its Lines 1 and 2 covered by the proposed MAOP increase. Appendix L of the special permit petition dated September 11, 2008, "Design Basis for the CRP Fracture Control Plan" documents compliance with the requirements of a fracture control plan.

49 CFR 192.112(c)(1)
There must be an internal quality management program at all mills involved in producing steel, plate, coil, skelp, and/or rolling pipe to be operated at alternative MAOP. These programs must be structured to eliminate or detect defects and inclusions affecting pipe quality.

The requirement for a quality management program at the steel, plate, coil, skelp and/or rolling mills was not a standard industry practice at the time the pipe was manufactured, nor was it a requirement or recommended practice of any applicable consensus standard. Each pipe supplier had a longstanding relationship with the individual plate manufacturer. TETLP implemented a quality assurance program at the pipe mills. TETLP believes the integrity of the pipeline is validated by the pipe mill inspections and hydrostatic testing, the weld seam and girth weld non-destructive examination ("NDE"), the post construction hydrostatic testing and the safe operating history of these pipelines. TETLP requests a special permit waiving the requirements of the internal quality management program for the mills producing steel, plate, coil, skelp, and/or rolling pipe for existing segments of Lines 1 and 2 covered by the proposed special permit.

49 CFR 192.112(c)(2)
A mill inspection program or internal quality management program must include (i) and either (ii) or (iii):

See comments to each individual subsection below.

49 CFR 192.112(c)(2)(i)
An ultrasonic test of the ends and at least 35 percent of the surface of the plate/coil or pipe to identify imperfections that impair serviceability such as laminations, cracks, and inclusions. At least 95 percent of the lengths of pipe manufactured must be tested. For all pipelines designed after [the effective date of the final rule], the test must be done in accordance with ASTM A578/A578M Level B, or API 5L Paragraph 7.8.10 (incorporated by reference, see §192.7) or equivalent method, and either

For the pipe covered by this proposed special permit, ultrasonic testing was required at each end of each pipe to inspect for mid-wall laminations. Pipe seam weld inspections were also performed for all of the pipe covered by the proposed special permit. Pipe body UT inspection was specified in the purchase orders for a majority of the pipe produced, but not 100%. In some cases, the pipe body UT inspection may not have achieved 35% coverage of the pipe body. TETLP requests a special permit waiving the requirement for pipe or plate surface UT inspection.

TETLP believes the primary benefit of pipe body UT inspection is to check for laminations that could cause welding problems in longitudinal seam or girth weld. Once the pipeline has been installed with 100% NDE of seam and girth welds, laminations are of minimal concern to pipeline integrity.

49 CFR 192.112(c)(2)(ii)
A macro etch test or other equivalent method to identify inclusions that may form centerline segregation during the continuous casting process. Use of sulfur prints is not an equivalent method. The test must be carried out on the first or second slab of each sequence graded with an acceptance criteria of one or two on the Mannesmann scale or equivalent; or

Macro etch testing of the continuous cast slabs was not conducted during steelmaking for TETLP Lines 1 and 2 This process was established as an industry practice much later, and applied to continuous cast slabs used for gas transmission pipes only very recently. Macro etch testing is primarily performed to prevent laminations in the finished pipe. As noted above, TETLP believes the primary benefit of pipe body UT inspection is to check for laminations that could cause seam or girth weld defects. Once the pipeline has been installed with 100% NDE of seam and girth welds, laminations are of minimal concern to pipeline integrity. TETLP requests a special permit waiving the requirement for macro etch testing.

49 CFR 192.112(c)(2)(iii)
A quality assurance monitoring program implemented by the operator that includes audits of: (a) all steelmaking and casting facilities, (b) quality control plans and manufacturing procedure specifications, (c) equipment maintenance and records of

conformance, (d) applicable casting superheat and speeds, and (e) centerline segregation monitoring records to ensure mitigation of centerline segregation during the continuous casting process.

The requirement for a Company quality assurance monitoring program as specified was not a standard industry practice at the time the pipe was manufactured, nor was it a requirement or recommended practice of any applicable consensus standard. TETLP did not perform this type of quality assurance monitoring program for the pipe covered by the proposed special permit. Each pipe supplier had a longstanding relationship with the individual plate manufacturer. TETLP implemented a quality assurance program at the pipe mills. TETLP believes the integrity of the pipeline is validated by the pipe mill inspections and hydrostatic testing, the weld seam and girth weld non-destructive examination ("NDE"), the post construction hydrostatic testing and the safe operating history of these pipelines, and requests a special permit waiving the requirements for a quality management program as specified in this section.

49 CFR 192.112(d)(1)
There must be a quality assurance program for pipe seam welds to assure tensile strength provided in API Specification 5L (incorporated by reference, see §192.7) for appropriate grades.

The line pipe for Lines 1 and 2 was manufactured in conformance with the edition of API 5L in effect at the time of the pipe orders. TETLP requests an interpretation clarifying seam tensile strength testing for existing pipelines must have been performed in accordance with the DOT referenced version of API 5L in effect at the time of the pipe order.

49 CFR 192.112(d)(2)
There must be a hardness test, using Vickers (Hv10) hardness test method or equivalent test method, to assure a maximum hardness of 280 Vickers of the following:

For original CRP pipe, Rockwell seam hardness testing was applied with a specification limit equivalent to HRC equal to 22 max. An HRC value of 22 is approximately equivalent to a value of 245 on the Vickers scale; substantially below the PHMSA requirement of 280. Any Rockwell hardness results above HRC = 22 or equivalent were evaluated using the Vickers test method. Subsequent loops included seam weld Vickers testing compliant with the PHMSA requirements. TETLP requests an interpretation from PHMSA clarifying TETLP's Rockwell hardness testing is adequate to meet the requirements of §192.112(d)(2).

49 CFR 192.112(d)(2)(i)
A cross section of the weld seam of one pipe from each heat plus one pipe from each welding line per day; and

The requirement for weld seam inspection testing at the stated frequency was not an industry standard practice, nor was this a recommended practice or requirement of any applicable consensus standard at the time the pipe was manufactured. TETLP typically specified a testing frequency of once per welding machine per day. TETLP believes the integrity of the pipeline is validated by the post construction hydrostatic test and the safe operating history of the lines covered by the special permit. TETLP requests a special permit waiving the frequency requirements stated in §192.112(d)(2)(i).

49 CFR 192.112(f)(1)
The pipe must be protected against external corrosion by a non-shielding coating.

The pipe covered by the proposed special permit is coated with FBE. Girth welds are coated primarily with field applied FBE or 2-part epoxy coatings. Records indicate the use of shrink sleeves at tie-in and repair welds for some of the construction from 1992 through 1995. Approximately 56 miles of pipeline was installed in this period of time.

TETLP has identified a number of locations where shrink sleeves were installed. TETLP proposes to evaluate MFL data to identify any detectable indications of external corrosion near girth welds. Locations with detectable indications of external corrosion at girth welds will be identified, excavated and examined. Shrink sleeves in these locations will be removed. TETLP also proposes to excavate a limited number of locations where shrink sleeves are known to be present and ILI logs do not indicate metal loss. TETLP personnel will remove the coating and evaluate the condition of the pipe. The absence of detectable metal loss on the ILI log indicates that the girth weld coating system is intact and SCC would be highly unlikely.

Given the presence of the shrink sleeves, TETLP requests that this section be included in a special permit with a conditions that require excavation and examination of a limited number of known locations with shrink sleeves and the evaluation of high-resolution MFL data at girth welds to identify measureable indications of metal loss as a possible indicator of the presence of a failed shrink sleeve.

49 CFR 192.620(c)(6)
If the performance of a construction task associated with implementing alternative MAOP can affect the integrity of the pipeline segment, treat that task as a "covered task", notwithstanding the definition in §192.801(b) and implement the requirements of subpart N as appropriate.

TETLP reads this language as applying to construction commencing after the effective date of the Final Rule and not to construction prior to the effective date on existing pipelines. TETLP requests an interpretation clarifying that §192.620(c)(6) does not apply retroactively to the existing segments of TETLP's Lines 1 and 2 covered by the proposed special permit.

49 CFR 192.620(d)(5)(ii)
At points where gas with potentially deleterious contaminants enters the pipeline, use filter separators or separators and gas quality monitoring equipment.

TETLP is reviewing customer separation equipment for receipt points on the pipelines covered by the proposed special permit. TETLP requests an interpretation from PHMSA clarifying that properly designed separation equipment operated by TETLP's customers will satisfy this requirement.

49 CFR 192.620(d)(5)(iii)
Use gas quality monitoring equipment that includes a moisture analyzer, chromatograph, and periodic hydrogen sulfide sampling.

TETLP is reviewing currently installed gas quality monitoring equipment. TETLP has several small volume receipt points (less than 15 mmcfd) delivering gas into the segments of pipeline covered by the proposed special permit. TETLP's policy is to take spot gas samples for small volume receipt points up to 5 mmcfd and utilize continuous gas samplers for receipt points between 5 mmcfd and 15 mmcfd. TETLP typically installs gas chromatographs only for those points with a volume greater than 15 mmcfd. TETLP proposes to continue spot sampling for receipt points up to 5 mmcfd and continuous gas samplers for receipt points between 5 mmcfd and 15 mmcfd, and requests the special permit allow this philosophy. TETLP believes that small volume receipts, even if the gas does not meet tariff gas quality specifications, will adequately blend to eliminate the risk of internal corrosion from this gas.

TETLP requests that this section be addressed in the proposed special permit. TETLP will document the effect of blending based on proposed flows and compositions prior to operation at the increased pressure and then reevaluate the effect of blending on an annual basis.

49 CFR 192.620(d)(7)(i)
Within six months after placing the cathodic protection of a new pipeline segment in operation, or within six months after certifying a segment under § 192.620(c)(1) of an existing pipeline segment under this section, assess the adequacy of the cathodic protection through an indirect method such as close-interval survey, and the integrity of the coating using direct current voltage gradient (DCVG) or alternating current voltage gradient (ACVG).

During the construction of most of the pipelines covered by the proposed special permit, TETLP performed post backfill coating integrity testing, and remediated coating holidays that didn't meet TETLP's requirements. Since the coating integrity assessments to identify and remediate coating damage caused during construction have already been performed, TETLP requests an interpretation from PHMSA that clarifies the coating integrity surveys do not need to be duplicated for TETLP Lines 1 and 2.

49 CFR 192.620(d)(7)(ii)
Remediate any construction damaged coating with a voltage drop classified as moderate or severe (IR drop greater than 35% for DCVG or 50 dBuv for ACVG) under section 4 of NACE RP–0502–2002 (incorporated by reference, see §192.7).

Given that this provision states "construction damaged coating", TETLP presumes that this applies to new pipelines and construction on existing pipelines after the effective date of the rule, and not existing pipelines constructed prior to the effective date. TETLP performed post backfill coating integrity testing for most of the pipelines covered by the special permit, and remediated coating holidays that didn't meet TETLP's requirements. Additionally, TETLP will be performing a close interval survey on these pipelines to assure adequate cathodic protection. TETLP has also performed approximately 218 miles of in-line inspections with MFL tools, with very few indications of corrosion. This validates that the coating and cathodic protection systems are performing adequately to protect the pipeline. TETLP requests an interpretation from PHMSA clarifying that the requirement for remediation of construction damaged coating is applicable only to pipelines installed after the effective date of the Final Rule.

49 CFR 192.620(d)(10)(iii)
Use direct assessment (per §192.925, §192.927 and/or §192.929) or pressure testing (per subpart J of this part) for periodic assessment of a portion of a segment to the extent permitted for a baseline assessment under paragraph (d)(8)(iii) of this section.

TETLP requests an interpretation from PHMSA to clarify that direct examination techniques are acceptable alternatives to external corrosion direct assessment ("ECDA") or internal corrosion direct assessment ("ICDA") for non-piggable segments operating at the alternate design factors. TETLP believes that direct examination techniques can be more effective and provide a better assessment than ECDA and ICDA for short segments of non-piggable lines.

49 CFR 192.620(d)(11)(ii)(A)
The defect is a dent discovered during the baseline assessment for integrity under paragraph (d)(9)[1] of this section and the defect meets the criteria for immediate repair in §192.309(b).

In the preamble of the Final Rule, PHMSA states "*With respect to dents, the repair criteria of §192.309(b) apply only for dents found during construction baseline assessments (i.e., for new pipelines). PHMSA notes that this section already requires repair of two percent dents for pipelines over 123/4 inches in diameter. The criteria for repairing dents on existing pipelines and subsequent assessments on new pipelines and existing pipelines are in §192.933(d).*" (73 FR 62165) TETLP agrees with PHMSA's

[1] The final rule language references section (d)(8), however TETLP believes this is a typographical error. TETLP believes (d)(9) is the correct section reference for the baseline assessment.

stated intent, however points out that the language in the Final Rule does not reflect this intent. TETLP interprets the Final Rule language to require dents in existing lines to be remediated in accordance with §192.309(b) and §192.933(d). TETLP requests an interpretation from PHMSA to clarify that §192.309(b) is applicable only to new pipelines, and that dents identified by baseline assessments for existing pipelines are to be remediated in accordance with §192.933(d).

PROPOSED INTEGRITY MANAGEMENT ACTIVITIES TO SUPPORT THE PROPOSED SPECIAL PERMIT

To ensure that this proposed special permit will achieve an increase in pipeline safety and integrity, TETLP will apply its Pipeline Integrity Management Plan (IMP) to all segments of Lines 1 & 2 covered under this proposed special permit. If the special permit request is granted and TETLP obtains approval from the Federal Energy Regulatory Commission (FERC) to reflect this uprated MAOP in its FERC-certificated design, TETLP's IMP will be applied to all segments of Lines 1 & 2 that have been uprated, not just those in HCAs. Specifically, TETLP proposes to perform the following integrity activities:

- Perform in-line inspection on the special permit segments with high resolution magnetic flux leakage (MFL) and multi-channel geometry tools within 2 years prior to the MAOP uprate.
- Perform a close-interval survey (CIS), or similar performance assessment, of the cathodic protection (CP) system on the special permit segments within 2 years prior to the MAOP uprate.
- Remediate all actionable anomalies based on an operating pressure of 1,112 psig and using the criteria in the TETLP IMP and the Final Rule prior to increasing the pressure.
- Integrate CIS data with the in-line inspection results to address any cathodic protection enhancements needed to improve long-term integrity of the pipeline. These documented enhancements will be implemented within one-year of the pressure increase.
- Replace pressure rated components as needed to meet a minimum of 1,112 psig prior to increasing pressure.
- Perform a leak survey in accordance with TETLP's Standard Operating Procedures after the pressure increase.
- Perform inspections and preventive and mitigative measures in accordance with the TETLP IMP on the segments of Line 1 & 2 pipeline system that are operating at the alternate design factors.
- Perform reassessment using in-line inspection in accordance with Part 192 Subpart O requirements or more frequently based on a technical review of reassessment intervals for these pipelines operating at a MAOP of 1,112 psig.

- Hydrostatic retesting of several segments of Line 1 that were not tested to 125% of MAOP during original construction.
- Evaluate ILI logs to identify indications of external corrosion in close proximity to girth welds and excavate those locations that are likely to have failed shrink sleeves.
- Develop a plan for excavation of a limited number of known shrink sleeve locations, removal of the shrink sleeve at these locations and evaluation of the pipe for SCC and external corrosion.
- Perform long term coating integrity surveys for pipelines operating over 120° F.

SUMMARY

TETLP has reviewed the Final Rule, and has determined that segments of TETLP's Lines 1 and 2 substantially meet most of the requirements of the Final Rule. However, TETLP Lines 1 and 2 do not retroactively meet a limited number of the specified requirements in the Final Rule, such as the those requirements regarding pipe and coating manufacturing testing and inspection, construction inspection, and operator qualification requirements for previous construction. In some cases, the specified requirements were not yet recognized as "best practice", in other cases, the specified requirements were substantially met but supporting documentation does not exist. As a result, TETLP is requesting its special permit petition dated September 11, 2008 be modified as detailed in this letter. Additionally, TETLP requests interpretations regarding certain sections of the Final Rule as to how these sections apply to existing pipelines.

TETLP's believes the pipelines covered by the proposed special permit are well suited to operation at the higher design factors specified by the Final Rule. Through the proposed special permit, TETLP commits to apply rigorous integrity management activities to the entire pipeline covered by the special permit.

We look forward to continued discussions and progress on this special permit petition. Please contact Rick Kivela at 713-627-6388 if you have any questions or request any additional information.

Sincerely,

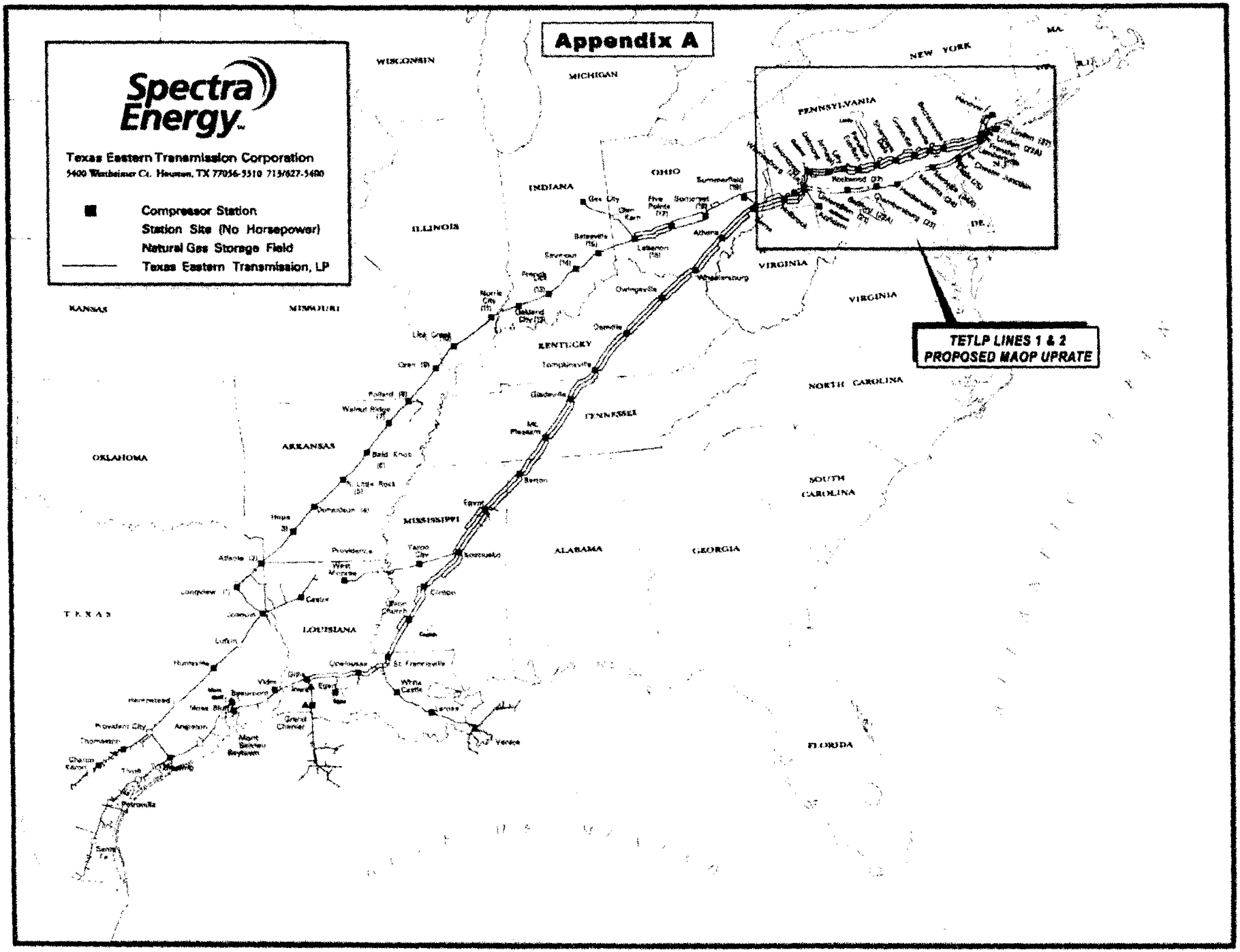
Gregory P. Bilinski
Vice President

Attachments

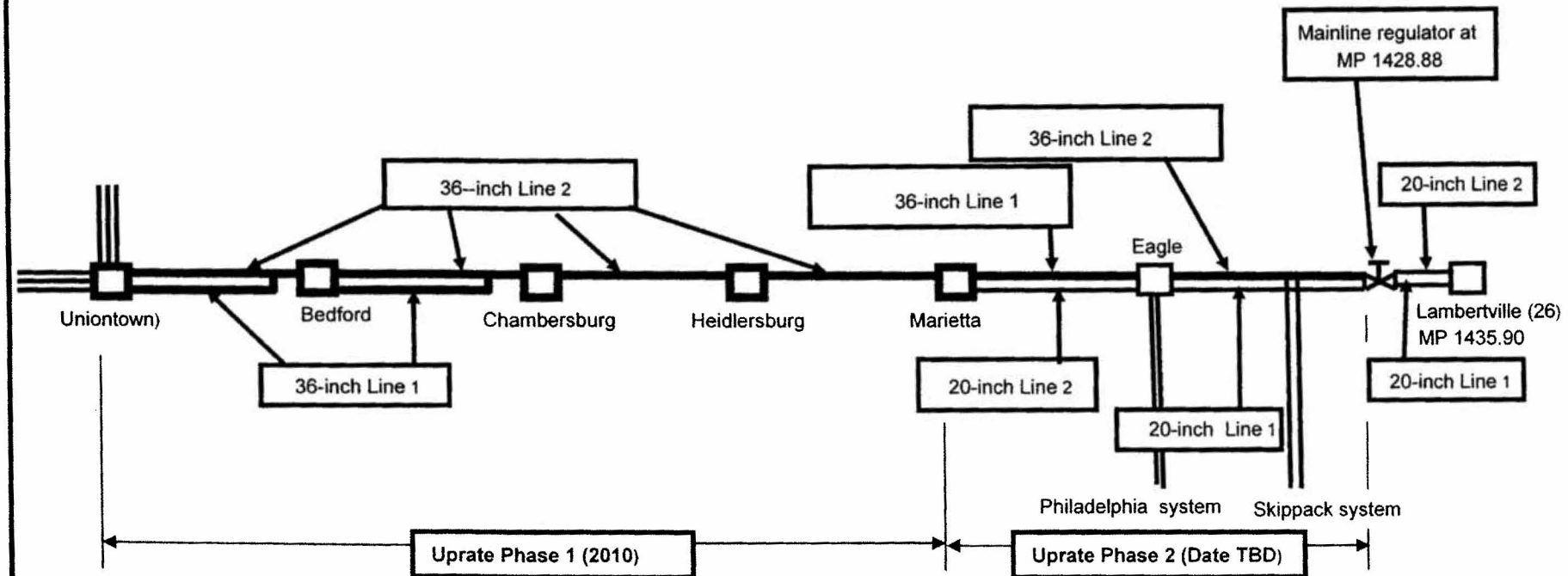
cc w/Attachments:

William Gute – PHMSA
Alan Mayberry – PHMSA
Byron Coy – PHMSA
Clyde Myers – PHMSA

Appendix A


Spectra Energy
Texas Eastern Transmission Corporation
5400 Westheimer Ct. Houston, TX 77056-5310 713/627-5400
Compressor Station
Station Site (No Horsepower)
Natural Gas Storage Field
Texas Eastern Transmission, LP
TETLP LINES 1 & 2
PROPOSED MAOP UPRATE
WISCONSIN
MICHIGAN
NEW YORK
PENNSYLVANIA
INDIANA
OHIO
ILLINOIS
KANSAS
MISSOURI
KENTUCKY
VIRGINIA
WEST VIRGINIA
NORTH CAROLINA
TENNESSEE
OKLAHOMA
ARKANSAS
MISSISSIPPI
ALABAMA
GEORGIA
SOUTH CAROLINA
TEXAS
LOUISIANA
FLORIDA

APPENDIX B
TETLP LINES 1 & 2
SCOPE OF MAOP UPRATE



NOTES :

Red denotes the pipeline segments under consideration for a MAOP uprate (from 1000 psig to 1112 psig).

TETLP is proposing a phased implementation of the uprate, with Phase 1 being uprated in Nov. 2010 and Phase 2 being uprated for a future undefined expansion project.

The uprate will also include compressor station yard and unit piping at Uniontown, Bedford, Chambersburg and Heidlersburg in Phase 1 and Marietta in Phase 2. The compressor stations will be designed for a 1200 psig MAOP, and thus will not be included in the special permit.

Eagle Compressor Station does not compress on the mainline. It compresses gas from the mainline into the Philadelphia lateral (20" Line 1-H). Therefore this unit piping is not subject to the proposed uprate.

APPENDIX C
TEMAX and TIME III Facilities Map