

Natural Gas Pipeline Safety

Natural Gas Pipelines and You

Natural gas pipelines are critical to our health, safety, productivity and daily lives. They safely provide the energy we use every hour of the day to keep the lights on, heat and cool our homes, cook our food, power our workplaces, produce goods and services and secure our future. They are critical to our families and our nation. And as you might expect, pipelines are subject to extensive regulatory, legislative and industry oversight to keep the energy flowing and communities safe.

Pipeline Safety and Governance

Natural gas pipelines are rigorously regulated and monitored by federal and state governments through comprehensive laws, regulations and requirements for inspections. This process is regulated primarily by two federal agencies, the Federal Energy Regulatory Commission (FERC) and the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA.)

- FERC is an independent agency that is responsible for the economic regulation of the interstate transmission of electricity, natural gas and oil and is the federal agency most responsible for approving the construction of interstate natural gas pipelines.
- PHMSA is responsible for the safety regulation of interstate natural gas transmission pipelines. These regulations cover all phases of a pipeline's lifecycle, including materials, design, construction, operations, maintenance, integrity management and abandonment.

Understanding the Role of PHMSA and the NTSB

PHMSA is the federal agency responsible for ensuring the safe operations of our nation's interstate pipeline transportation system. In addition, each state has a pipeline safety office that oversees state jurisdictional

pipelines. Many states act as agents for PHMSA conducting inspections. PHMSA routinely conducts inspections of pipeline construction, operation, maintenance and integrity management to verify that pipeline operators comply with pipeline safety regulations. Each year, PHMSA typically conducts 15 to 20 weeks of inspections on pipeline facilities.

These inspections are conducted to:

- verify that procedures as written are compliant with regulations
- observe the operator and ensure that its procedures are being followed and validate this through documentation
- observe above ground pipeline and facility conditions

PHMSA also conducts investigations of pipeline incidents. In addition, the National Transportation Safety Board (NTSB) may investigate serious pipeline incidents. If an NTSB investigation identifies potential pipeline safety issues that may apply to other pipelines, the NTSB may issue action recommendations for PHMSA and other entities.

Spectra Energy fully cooperates with PHMSA inspectors during and following any inspections. Spectra Energy views these inspections as another method of identifying potential areas of improvement in our pipeline safety programs and procedures.

PHMSA's Regulatory and Enforcement Process

PHMSA has a number of enforcement options if it identifies safety concerns, finds noncompliance or if there is an incident. Please see the chart on the back for a diagram of PHMSA's enforcement process.

To learn more about pipeline safety and regulations, visit the PHMSA website at <http://www.phmsa.dot.gov/>.

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If PHMSA inspection finds violations or inadequate procedures

