

Miami Herald Reveals Scott's Ties to Accident-Prone Spectra

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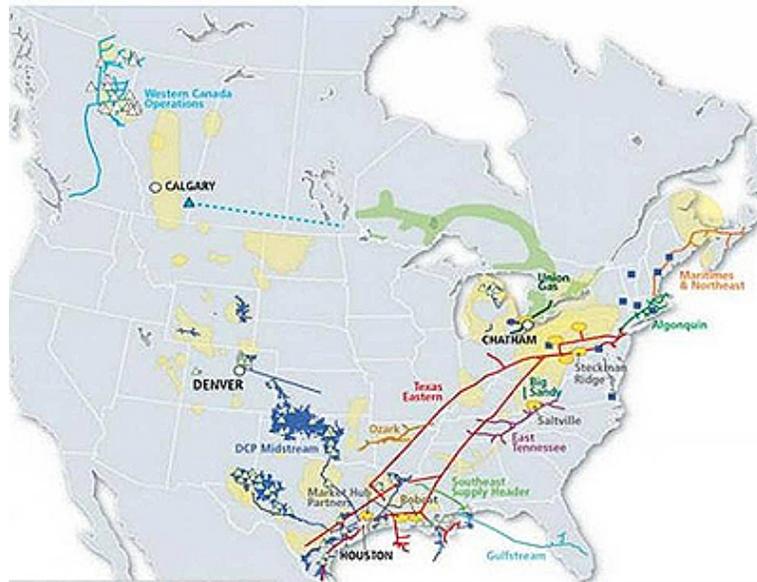
Pipeline company with tie to Gov. Scott and state backing, has history of accidents



Arkansas River pipe rupture



Aerial view of the explosion site of Spectra Energy's Nig Creek Pipeline in 2012



Spectra Energy's pipelines

By Dan Christensen
FloridaBulldog.org

Spectra Energy, the company that state environmental regulators say should be allowed to construct a 267-mile-long natural gas pipeline in North Florida, has a checkered history of accidents and violations of federal safety rules in the U.S. and Canada dating back decades.

FloridaBulldog.org reported last week that Florida's Department

of Environmental Protection is backing the award of a key environmental permit for the controversial \$3 billion Sabal Trail pipeline to a joint venture majority-owned by Houston-based Spectra Energy.

Spectra Energy's investors have included Gov. Rick Scott. On last year's financial disclosure form, Scott reported owning a \$108,00 stake in Spectra and its affiliate, DCP Midstream Partners. His latest disclosure form, filed in June, no longer details Scott's securities holdings because he put those assets into a blind trust.

The underground Sabal Trail Transmission is proposed as a nearly 500-mile interstate natural gas pipeline to run from Alabama, through Georgia south to Orange County, south of Orlando. Spectra owns 59.5 percent; Florida Power & Light parent NextEra Energy owns 33 percent; and Duke Energy, which spun off its natural gas business to form Spectra in 2007, recently paid \$225 million for a 7.5 percent stake.

Federal and state election records show that FPL, Duke Energy and their affiliates together have contributed \$1.4 million to Let's Get to Work, the political committee branded with Scott's campaign slogan. They also gave a total of \$5.8 million to the Republican Governors Association in 2013-14, which in turn contributed \$18.3 million to Let's Get to Work last year.

Spectra Energy operates about 22,000 miles of natural gas pipelines in North America. U.S. and Canadian agency files detail the company's problematic safety record.

Since 2006, the U.S. Pipeline and Hazardous Materials Safety Administration recorded 25 incidents that caused more than \$12 million in property damage along Spectra's main line – the 9,000-mile Texas Eastern Transmission that connects Texas and the Gulf Coast with big urban markets in the Northeast. The

causes ranged from equipment failure and incorrect operations to pipe corrosion.

The agency found numerous federal rules violations during the same period and slapped Spectra with a total of \$400,000 in fines – not counting another \$59,000 proposed penalty for failing to construct a pipeline in Pennsylvania in accordance with written specifications.

Spectra's press office did not respond to detailed requests for comment made over two days.

Florida's Department of Environmental Protection issued its July 10 notice of intent to issue the permit and easement for Sabal Trail without a public hearing. The WWALS Watershed Coalition, a Georgia based nonprofit and environmental advocate, filed an objection to the permit last week and the department is considering its response.

Was Spectra's safety record considered in DEP's decision?

"The department assesses a permit application based on Florida statutes and rules to ensure that all aspects of the proposed operation follow Florida law and are protective of the environment and human health and safety," DEP spokeswoman Lori Elliott said in a statement on Wednesday.

A DRAMATIC RUPTURE

Spectra's most recent pipeline accident was the dramatic rupture of an auxiliary pipe along its Texas Eastern Pipeline in Little Rock, Arkansas, on May 31. The buried line, which crossed the Arkansas River near the Clinton Presidential Center, was not in use at the time, but contained four million cubic feet of natural gas that exploded with such force that churning water boiled up high into the air across the span of the river.

While no one was injured, the blow out resulted in more than \$1 million in damages, according to federal records. The cause has not been determined, but an incident report filed by Spectra in June noted that high rains had caused flooding that had washed away soil that once covered the pipeline on the river's bank.

Another vivid example of the power of out-of-control natural gas occurred June 28, 2012, at the Nig Creek pipeline in British Columbia, operated by Spectra's wholly owned subsidiary Westcoast Energy. The 16-inch pipeline, which had been shut down that night, was filled with pressurized "sour gas" that exploded when the line ruptured, causing a fire and creating a large crater in a remote forest area in British Columbia. Sour gas contains significant amounts of hydrogen sulfide and is highly toxic.

No one was injured in the blast – the nearest town, population 58, is 25 miles away. The cause was later determined to be a crack in a pipe.

So far in 2015, Canada's National Energy Board has fined Spectra Energy three times for a total of \$122,300 – including \$88,000 imposed in January after inspectors found violations with "the potential to significantly impact worker safety and infrastructure" at Spectra's Dawson Creek Gas Plant, also in British Columbia.

Just last month, the board also ordered Spectra to fix "management system failures" at its Westcoast Energy gas processing plants and facilities in western Canada after inspectors uncovered 27 safety issues between April 1, 2014, and June 26, 2015.

Back in the United States, Spectra owns or co-owns eight natural gas pipelines, including the 745-mile Gulfstream Natural Gas, which runs beneath the Gulf of Mexico from lower Mississippi and

Alabama to Tampa Bay. All but two of those pipelines – Gulfstream and the 67-mile Big Sandy pipeline in eastern Kentucky – have reported at least one incident since 2006.

In 2014, the U.S. pipeline administration investigated a frightening episode in Searsmont, Maine, involving the Maritimes and Northeast Pipeline, a joint venture of Spectra, Emera and ExxonMobil. The 684-mile pipeline transports natural gas from offshore Nova Scotia to markets in the northeast U.S.

The event happened at a pipeline compressor station, which helps move gas through a pipeline by keeping it under sufficient pressure, shortly before midnight on Dec. 31, 2013. Neighbors told a Bangor Daily News reporter they heard a roaring noise that was so loud it caused nearby homes to shake and some residents to flee.

‘TERRIFYING EXPERIENCE’

“It was absolutely the most terrifying experience I’ve ever had,” Susan Totman told the newspaper.

Federal pipeline regulators said the noise, which lasted more than a half-hour, was caused by the release of gas jetting from a valve in an emergency shutdown system that was unintentionally opened. About 70 million cubic yards of gas were released, says an agency report on the incident.

The pipeline operator was later found to have violated federal regulations by failing to inform them of the accident in a timely manner. On July 24, regulators imposed a \$34,500 fine that company officials did not contest.

Other Spectra pipelines have had problems, too.

Agency records list three incidents in 2010 involving equipment

failure and excavation damage along Spectra's East Tennessee pipeline that caused \$238,000 in property damage. In 2013, the company received a warning letter after inspectors found four probable safety violations.

Spectra's Southeast Supply Header is a 286-mile pipeline that funnels natural gas through Louisiana, Mississippi and Alabama to the Gulfstream pipeline and on to Florida. Records show that a construction-related equipment failure near Hazlehurst, Mississippi, in January 2010 caused \$562,000 in property damage and led to \$200,000 in safety violation fines.

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