

ALGONQUIN GAS TRANSMISSION, LLC
5400 Westheimer Court
Houston, TX 77056-5310
713.627.5400 main

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



September 16, 2016

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: *Algonquin Gas Transmission, LLC*, Docket No. CP14-96-000
Response to September 9 Letter, OEP/DG2E/Gas 2

Dear Ms. Bose:

On March 3, 2015, the Federal Energy Regulatory Commission (“Commission”) issued its Order Issuing Certificate and Approving Abandonment in the above-referenced docket authorizing Algonquin Gas Transmission, LLC (“Algonquin”) to construct, own, operate and maintain the Algonquin Incremental Market Project (“AIM Project”).¹ On September 9, 2016, the Commission staff issued a letter advising Algonquin that Commission staff had determined that Algonquin failed to comply with certain environmental conditions in the March 3 Order (“September 9 Letter”). The September 9 Letter set forth several questions which Algonquin was directed to answer. Algonquin hereby submits in the attachment hereto responses to the Commission staff’s questions.

Algonquin acknowledges the importance of complying with the Commission’s directives and Algonquin will continue to work with Commission staff to address this matter to the Commission staff’s satisfaction. The event discussed in the attachment was inconsistent with Algonquin’s construction procedures, and is neither representative of Algonquin’s past practices nor acceptable to Algonquin. As described in the attached responses, Algonquin is implementing additional measures to ensure future compliance with all Commission orders, regulations and policies, as well as other applicable permits and authorizations.

¹ *Algonquin Gas Transmission, LLC*, 150 FERC ¶ 61,163 (2015) (“March 3 Order”).

If you have any questions regarding this filing, please contact me at (713) 627-5368 or Chris Harvey, Director, Rates and Certificates, at (713) 627-5113.

Respectfully submitted,

/s/ Richard J. Kruse
Richard J. Kruse
Vice President, Regulatory and
FERC Chief Compliance Officer

cc: Ann F. Miles, Director, Office of Energy Projects
Alisa Lykens, Gas Branch 2 Chief
Maggie Suter, Environmental Project Manager
Greg Kenney, Spectra Energy, Vice President, Project Execution – East Region

**RESPONSE TO SEPTEMBER 9, 2016 LETTER
FROM COMMISSION STAFF**

a) an explanation of why Algonquin proceeded with disturbing a wetland without advance notification or approval of any agency;

The Hudson River horizontal direction drill (“HDD”) is a complicated drill due to its location and the geology in the area. After approximately 9 months of work at the HDD drill site to prepare the bore hole, Algonquin commenced the HDD pullback activities on August 26, 2016. Algonquin was informed by its contractor on the night of Saturday, August 27, 2016, that the drill stem had become disconnected from the pipe during the HDD pullback and that the contractor needed to move quickly to locate and repair the break in order to complete the pullback or commence retraction of the pipe if the contractor was unable to locate and repair the drill stem. For reasons provided in response c) below, construction personnel made the assessment that the drill stem became separated from the pullback string on the west side of the Hudson River in the vicinity of a recent drilling mud release¹ (approximate Sta. 160+10).

Because Algonquin personnel had misinterpreted communications with the onsite FERC Compliance Monitor and this incident occurred over the weekend when real time communication with FERC Staff and other agencies is not always possible, Algonquin mistakenly undertook activities on the west side of the Hudson River prior to receiving written approval or attempting to contact FERC Staff other than the onsite FERC Compliance Monitor in the field. Specifically, Algonquin communicated with the onsite FERC Compliance Monitor on Sunday morning regarding the disconnection of the drill stem. Algonquin described the urgency of the situation and the importance of moving the pipe as soon as possible as there was a concern that if the pipe was not moved immediately it could get permanently stuck or the bore hole could be lost. At the time, Algonquin anticipated that it had sufficiently communicated its plan with the onsite FERC Compliance Monitor. Based on these conversations with the FERC Compliance Monitor, Algonquin personnel expected the Monitor to return to the site early Sunday afternoon and due to the exigent circumstances of this situation, Algonquin personnel made the incorrect assumption that work could be initiated prior to obtaining written authorization. In retrospect, Algonquin made an incorrect decision and should have waited until written approvals were received prior to performing the work.

Algonquin and its contractor, however, acted with due diligence and in good faith and minimized impacts to the affected resources during its work. The encroachment into wetland A14-SPLR-W100 was limited to an area of 381 square feet. Algonquin also notified the appropriate agencies about the emergency excavation via email as soon as the Environmental Manager returned to his home computer on Sunday afternoon, August 28, 2016, which was followed-up with email and telephone communications with the New York State Department of Environmental Conservation (“NYSDEC”) and U.S. Army Corps of Engineers (“COE”) on Monday morning, August 29, 2016. Algonquin continues to coordinate with the agencies and provide periodic updates on the Hudson River HDD activities.

¹ As noted in Algonquin’s AIM Weekly Construction Report No. 66 filed on September 13, 2016, Algonquin communicated this inadvertent mud release to the FERC Compliance Monitor and received a variance approval prior to commencing cleanup work for the mud release.

As is described in response b), in the future Algonquin will not proceed with work which has not been authorized by the FERC certificate, agency permits, or easement rights based on verbal conversations alone. Written approval will be obtained in advance of conducting work requiring a variance.

b) any measures Algonquin will put in place to ensure that further noncompliance will not occur;

Algonquin has reinforced the gravity of this situation with internal staff working on the AIM Project. If such a situation presents itself again on the AIM Project, Algonquin personnel have been informed that they may not proceed with any work that is not authorized by the Commission, the landowner, and applicable permitting agencies until such time as Algonquin has obtained appropriate written authorization to do so. Algonquin has also directed staff working on the project that, if they should become aware that any unauthorized activity has been started, such activity must be stopped immediately and a direct line of communication must be initiated between Algonquin's Environmental Manager, the FERC Project Manager and the FERC Compliance Monitor. In addition, Algonquin has initiated or will be initiating the following measures to reinforce on a project-wide basis, the need for environmental compliance.

Measure Taken by Algonquin

1. **Evaluation of Communications Protocols** – Algonquin has completed a reevaluation of its project communications plan and created a new written protocol for the decision making process which emphasizes the importance of maintaining open lines of communication between construction, environmental and management personnel. Irrespective of the seriousness of any situation, Algonquin will document all communications, both internally and externally, to avoid miscommunications that occur when multiple personnel are communicating with FERC compliance personnel. In addition, Algonquin Regulatory and Legal Staff will be notified of all variances going forward prior to any work being done that is subject to variance approval.
2. **Environmental Compliance Reinforcement with Contractor** – Algonquin provided a copy of the September 9 Letter to the Vice President of Henkels & McCoy, the pipeline contractor working on the HDD, and Algonquin has spoken with senior management for the contractor and reinforced the need for environmental compliance at all levels.
3. **Environmental Awareness Training** – Algonquin has held environmental awareness training for all Algonquin staff and contractor foremen. At this training, Algonquin reviewed the project environmental requirements and reinforced the importance of compliance at all levels.

Measure Planned by Algonquin

- **Reevaluation of Communication with FERC and Compliance Monitoring Staff** – Algonquin will be requesting a conference call with FERC Staff and third party compliance monitoring staff to reevaluate communications flow going forward for all

project issues that require consultation with FERC Staff, especially for situations that arise on weekends.

c) the calculations Algonquin made to assume the drill stem was within the wetland;

At the time of the disconnection of the drill stem, 101 joints of the drill string were in the hole with 54 joints remaining. Based on this 65% completion rate, Algonquin's construction team determined there was a good chance the drill stem was on the west side of the river in the proximity of the wetland. The directional drill contractor advised Algonquin that whenever the mud pumps were turned on drill mud came up directly and instantaneously at the caved in area within the wetland, which was reasonably assumed to indicate that the break or disconnect had occurred at that caved-in location. The geology of this wetland area also led the directional drill contractor to make the assessment that the drill stem disconnection was within this area as it was full of cobble, boulders, sinkholes, etc. that create conditions more likely to induce tooling failures. In addition, in order to get the drill pipe string back across the hole after the disconnection, this area needed to be excavated.

d) copies of all relevant permits and authorizations for impacting this wetland; and

Algonquin provided email notification to the NYSDEC and the COE on Sunday, August 28, 2016, and followed up with telephone calls and additional emails on Monday, August 29, 2016. Algonquin continues to coordinate with and provide updates to the FERC, the NYSDEC, and the COE on the status of activities related to the HDD. Relevant correspondence between Algonquin and the agencies is provided in Attachment A hereto.

e) a detailed plan for restoring the wetland.

Algonquin is anticipating that the second attempt to complete the HDD pullback will occur within the next three to four weeks. Once the HDD pullback is complete, all disturbed areas (including the 381 square feet of wetland) will be restored in accordance with the permit requirements as described in full below.

During the excavation of 381 square feet of wetland A14-SPLR-W100, the wetland subsoil and topsoil contained within the wetland area were segregated and stored adjacent to the wetland excavation. Upland soils were stored onsite in an adjacent upland area. Some material was also hauled offsite to a construction yard for temporary storage until the material could be brought back to the construction work area to be used as backfill material in the disturbed upland area. Following the successful completion of the HDD pullback operations, the excavation at the wetland and upland areas will be restored. The adjacent upland area will be backfilled with upland material which was stockpiled onsite in an upland area, seeded with an upland seed mix, with other stabilization measures installed as necessary. The wetland will be backfilled with the segregated wetland subsoil and topsoil.

If the segregated wetland and topsoil stored onsite is not sufficient to restore the wetland contours, clean sand material will be imported and placed within the wetland at the wetland subsoil elevation. Weed-free and seed-free topsoil may be imported to ensure that a minimum of 12-inches of topsoil exists through the disturbed wetland area. The wetland would then be planted with a wetland seed mix which the project has been using in New York as part of the

NYSDEC-approved Storm Water Pollution Prevention Plan as well as with a minimum of ten red maple saplings. Erosion controls will be installed as appropriate in the disturbed areas. The seed mix for this wetland restoration effort is included below. As required by the NYSDEC, upon completion of the restoration of the wetland, Algonquin will submit a final report to the NYSDEC (and other interested agencies as necessary) documenting the restoration activities.

Wetlands Mix (minimum application rate of 30 lbs./acre pure live seed)	% by weight
Fox Sedge (<i>Carex culpinoidea</i>), PA ecotype	25%
Lurid Sedge (<i>Carex lurida</i>), PA ecotype	15%
Hop Sedge (<i>Carex lupulina</i> ex Willd.), PA ecotype	8%
Soft Rush (<i>Juncus effusus</i>)	10%
Blunt Broom Sedge (<i>Carex tribuloides</i>), PA ecotype	7%
Deer Tongue “Tioga” (<i>Dichanthelium clandestinum</i>)	15%
Green Bulrush (<i>Scirpus atrovirens</i>), PA ecotype	5%
Eastern Bur Reed (<i>Sparganium americanum</i>)	5%
Giant Bur Reed (<i>Sparganium eurycarpum</i>), PA ecotype	5%
Woolgrass (<i>Scirpus cyperinus</i>), PA ecotype	5%
Annual Ryegrass (<i>Lolium perenne</i> var. <i>multiflorum</i>) or Winter Rye (<i>Secale cereale</i>) applied at 10 lbs./acre pure live seed	For temporary stabilization within wetland areas

Attachment A:
**Documentation of Communication with the New York State Department of
Environmental Conservation, the New York State Historic Preservation
Office, and the U.S. Army Corps of Engineers**

Tyrrell, Michael

From: Higgins, Michael T (DEC) <michael.higgins@dec.ny.gov>
Sent: Wednesday, September 07, 2016 11:19 AM
To: Tyrrell, Michael; Gierloff, Heather S (DEC)
Cc: Doyle, Terrance W; Jason Blackwell; Stephen Marquardt; O'Brien, Timothy C; Van Horn, Jasun
Subject: AIM Hudson River HDD Pullback - UPDATE

Mike,

The Department acknowledges receipt of your August 28, 2016 notification regarding the horizontal directional drill (HDD) under the Hudson River which commenced on August 26, 2016. Once the HDD process is complete, all disturbed areas must be restored in accordance with the Water Quality Certification (WQC) issued on May 5, 2015, including restoration of topsoil, the replanting of red maple saplings. Upon completion of the restoration of the wetland, Algonquin Gas shall submit a final report to the Department documenting the restoration activities of all disturbed areas also as required in the May 5, 2015 WQC.

Please feel free to contact me if you have any questions.

Mike Higgins

Michael T. Higgins

Project Manager, [Division of Environmental Permits](#)

New York State Department of Environmental Conservation

625 Broadway, Albany, NY 12233

P: (518) 402-9179 | F: (518) 402-9168 | michael.higgins@dec.ny.gov

www.dec.ny.gov | [f](#) | [t](#)

From: Tyrrell, Michael [<mailto:MTyrrell@trcsolutions.com>]

Sent: Tuesday, August 30, 2016 5:56 PM

To: Higgins, Michael T (DEC) <michael.higgins@dec.ny.gov>; Gierloff, Heather S (DEC) <heather.gierloff@dec.ny.gov>

Cc: Doyle, Terrance W <TWD Doyle@spectraenergy.com>; Jason Blackwell <blackwell.jason.dean@gmail.com>; Stephen Marquardt <marquardt.stephen@gmail.com>; O'Brien, Timothy C <tcobrien@spectraenergy.com>; Van Horn, Jasun <JVanHorn@spectraenergy.com>

Subject: RE: AIM Hudson River HDD Pullback - UPDATE

ATTENTION: This email came from an external source. Do not open attachments or click on links from unknown senders or unexpected emails.

Hi Mike and Heather,

We completed a survey of the west side of the Hudson River HDD to verify the extent of temporary wetland impact that occurred on Sunday from the emergency excavation (see attached). The survey more accurately depicts the impact (381 sf) than the estimated numbers I reported yesterday. No spoil was stockpiled in the wetland.

I hope this information is helpful. Please keep me informed if you require anything further.

Thanks

Mike

From: Tyrrell, Michael
Sent: Monday, August 29, 2016 4:09 PM
To: 'Higgins, Michael T (DEC)' <michael.higgins@dec.ny.gov>; 'Gierloff, Heather S (DEC)' <heather.gierloff@dec.ny.gov>
Cc: 'Doyle, Terrance W' <TWDoyle@spectraenergy.com>; 'Jason Blackwell' <blackwell.jason.dean@gmail.com>; 'Stephen Marquardt' <marquardt.stephen@gmail.com>; 'O'Brien, Timothy C' <tcobrien@spectraenergy.com>; Van Horn, Jasun <JVanHorn@spectraenergy.com>
Subject: RE: AIM Hudson River HDD Pullback

Hi Mike,

Here is an update on the HDD pullback. I am copying Heather as well.

The emergency excavation that occurred yesterday that was the result of a disconnect in the drill string used to pull the 42-inch diameter gas pipe through the HDD. The excavation was necessary to attempt to find the disconnect along the drill string close to the drill rig on the west side of the Hudson. At the location, the drill string is approximately 20-25 feet deep at its deepest point (outside the wetland). The encroachment into wetland A14-SPLR-W100 was limited to an area about 20 feet by 30 feet, with some additional area disturbed for the temporary storage of the wetland topsoil. In total, approximately 1,400 square feet of wetland was temporarily disturbed outside the limits of our approved workspace, including the removal of five trees (see attached sketch and photograph). I am also attaching a picture of the initial pullback activities that were occurring on Saturday when the pipe string was being pulled through the drill hole to give you some perspective on the situation.

Unfortunately, the contactor was unable to find the separation point along the drill stem. As a result, the contractor is now in the process of removing the pipeline from the drill hole (approximately 3,000 feet of pipe) from the east side of the river. Once that is complete, the contractor will reestablish the drill hole and recommence the pullback operations. Once complete, all disturbed areas will be restored per our permit. The wetland will be restored and the topsoil replaced. In addition, Algonquin will replant the area with red maple saplings and our approved wetland seed mix. As reported in yesterday's email, our environmental inspectors and the FERC's inspector have been on site.

FERC is looking for some type of approval or acknowledgement from the NYSDEC for the minor wetland encroachment. The wetland in question is not a state-mapped wetland, but is 404 regulated. I've been coordinating with the COE on this and sent them a similar update a few minutes ago.

Please let me know if you require anything further. I will keep you posted on further developments regarding the pullback activities.

Thanks

Mike

From: Tyrrell, Michael
Sent: Sunday, August 28, 2016 8:31 PM
To: 'Higgins, Michael T (DEC)' <michael.higgins@dec.ny.gov>
Cc: 'Doyle, Terrance W' <TWDoyle@spectraenergy.com>; 'Jason Blackwell' <blackwell.jason.dean@gmail.com>; Stephen Marquardt <marquardt.stephen@gmail.com>; 'O'Brien, Timothy C' <tcobrien@spectraenergy.com>
Subject: RE: AIM Hudson River HDD Pullback

Hi Mike,

The HDD pullback continued through the weekend. However, we encountered a problem this morning on the west side of the river. While we are still evaluating the details with the contractor, the drill string that was connected to the pipeline pullback section became separated. Based on the number of joints pulled into the hole, the contractor believes that the separation occurred in the area between Wetland A14-SPLR-W100 and the drill rig on the west side of the river. This would put it west of the railroad tracks and away from the river itself. Today, the contractor began excavating in this area in an attempt to find the drill string. This requires a large excavation beginning from the area of Wetland A14-SPLR-W100 back to the drill rig. Some limited worked had to occur outside the workspace and slightly within the wetland. We have our environmental inspector onsite. In addition, FERC's inspector was onsite most of the day today and agreed that this was necessary and appropriate given the circumstances. The contractor is using E&S controls as necessary and we are closely monitoring any dewatering that may be necessary. I will report more details in the morning and will send some photographs. We are working closely with the contractor to resolve this situation as quickly as possible. Excavation will continue through the night tonight.

I'll send more details in the morning.

Thanks

Mike

From: Tyrrell, Michael
Sent: Friday, August 26, 2016 8:38 AM
To: Higgins, Michael T (DEC) <michael.higgins@dec.ny.gov>
Subject: AIM Hudson River HDD Pullback

Hi Mike,

After some delays, the pullback commenced earlier this morning and will continue through the weekend.

Mike

Mike Tyrrell
Principal, Energy Services



670 N. Commercial Street, Suite 203
Manchester, NH 03101
603.801.4140 cell
603.263.9383 office
mtyrrell@trcsolutions.com



Parks, Recreation, and Historic Preservation

ANDREW M. CUOMO
Governor

ROSE HARVEY
Commissioner

August 30, 2016

Mr. Gregory Dubell
Energy Projects Manager
The Public Archaeology Laboratory, Inc.
26 Main Street
Pawtucket, RI 02860

Re: FERC
Algonquin Gas Transmission - Algonquin Incremental Market (AIM)
13PR02820
FERC Docket No. CP14-96-000

Dear Mr. Dubell:

Thank you for requesting the comments of the New York State Historic Preservation Office (SHPO). We have reviewed the submitted materials in accordance with Section 106 of the National Historic Preservation Act of 1966. These comments are those of the SHPO and relate only to Historic/Cultural resources. They do not include other environmental impacts to New York State Parkland that may be involved in or near your project. Such impacts must be considered as part of the environmental review of the project pursuant to the National Environmental Policy Act and/or the State Environmental Quality Review Act (New York State Environmental Conservation Law Article 8).

I have reviewed the materials submitted regarding the Hudson River HDD Workspace Addition in Stony Point, NY (your letter dated August 29, 2016). I concur with our recommendation that the proposed work associated with the retrieval of the separated drill string will have no effect on properties in or eligible for inclusion in the National Register of Historic Places.

If further correspondence is required regarding this project, please refer to the SHPO Project Review (PR) number noted above. If you have any questions I can be reached at 518-268-2186.

Sincerely,

Tim Lloyd, Ph.D., RPA
Scientist - Archaeology
timothy.lloyd@parks.ny.gov

via e-mail only

Division for Historic Preservation

P.O. Box 189, Waterford, New York 12188-0189 • (518) 237-8643 • www.nysparks.com

Tyrrell, Michael

From: Youhas, Robert NAN <Robert.Youhas@usace.army.mil>
Sent: Friday, September 02, 2016 8:35 AM
To: Tyrrell, Michael; Blackwell, Jason; TWDoyles@spectraenergy.com; tcobrien@spectraenergy.com; marquardt.stephen@gmail.com
Cc: Yan, Jun NAN1; Pinzon, Ronald R NAN02; Mallery, Christopher S NAN02; Ryba, Stephan A NAN02; DeMartino, Bart NAN02
Subject: RE: AIM Project - Hudson River HDD Pullback

Hello Mike:

Thank you for keeping us informed of the pipeline installation work and the recent excavation that was carried out in an effort to recover portions of the disconnected drill string. At this time, no additional information or action is required. Please continue to keep us informed of the project's progression.

Thanks.

Robert Youhas
Regulatory Branch, Eastern Section
U.S. Army Corps of Engineers New York District
26 Federal Plaza, Room 1937
New York, NY 10278
Phone: 917-790-8715
Fax: 212-264-4260

-----Original Message-----

From: Tyrrell, Michael [mailto:MTyrrell@trcsolutions.com]
Sent: Tuesday, August 30, 2016 5:56 PM
To: Youhas, Robert NAN <Robert.Youhas@usace.army.mil>; Blackwell, Jason <JBlackwell@trcsolutions.com>; TWDoyles@spectraenergy.com; tcobrien@spectraenergy.com; marquardt.stephen@gmail.com
Cc: Yan, Jun NAN1 <Jun.Yan@usace.army.mil>; Pinzon, Ronald R NAN02 <Ronald.R.Pinzon@usace.army.mil>; Mallery, Christopher S NAN02 <Christopher.S.Mallery@usace.army.mil>; Ryba, Stephan A NAN02 <Stephan.A.Ryba@usace.army.mil>; DeMartino, Bart NAN02 <Bart.Demartino@usace.army.mil>
Subject: [EXTERNAL] RE: AIM Project - Hudson River HDD Pullback

Hi Robert,

We completed a survey of the west side of the Hudson River HDD to verify the extent of temporary wetland impact that occurred on Sunday from the emergency excavation (see attached). The survey more accurately depicts the impact (381 sf) than the estimated numbers I reported yesterday. No spoil was stockpiled in the wetland.

I hope this information is helpful. Please keep me informed if you require anything further.

Thanks

Mike

-----Original Message-----

From: Tyrrell, Michael
Sent: Monday, August 29, 2016 4:01 PM
To: 'Youhas, Robert NAN' <Robert.Youhas@usace.army.mil>; Blackwell, Jason <JBlackwell@trcsolutions.com>; TWDoyles@spectraenergy.com; tcobrien@spectraenergy.com; marquardt.stephen@gmail.com
Cc: Yan, Jun NAN1 <Jun.Yan@usace.army.mil>; Pinzon, Ronald R NAN02 <Ronald.R.Pinzon@usace.army.mil>; Mallery, Christopher S NAN02 <Christopher.S.Mallery@usace.army.mil>; Ryba, Stephan A NAN02 <Stephan.A.Ryba@usace.army.mil>; DeMartino, Bart NAN02 <Bart.Demartino@usace.army.mil>
Subject: RE: AIM Project - Hudson River HDD Pullback

Hi Robert,

The emergency excavation that occurred yesterday that was the result of a disconnect in the drill string used to pull the 42-inch diameter gas pipe through the HDD. The excavation was necessary to attempt to find the disconnect along the drill string close to the drill rig on the west side of the Hudson. At the location, the drill string is approximately 20-25 feet deep at its deepest point (outside the wetland). The encroachment into wetland A14-SPLR-W100 was limited to an area about 20 feet by 30 feet, with some additional area disturbed for the temporary storage of the wetland topsoil. In total, approximately 1,400 square feet of wetland was temporarily disturbed outside the limits of our approved workspace, including the removal of five trees (see attached sketch and photograph). I am also attaching a picture of the initial pullback activities that were occurring on Saturday when the pipe string was being pulled through the drill hole to give you some perspective on the situation.

Unfortunately, the contractor was unable to find the separation point along the drill stem. As a result, the contractor is now in the process of removing the pipeline from the drill hole (approximately 3,000 feet of pipe) from the east side of the river. Once that is complete, the contractor will reestablish the drill hole and recommence the pullback operations. Once complete, all disturbed areas will be restored per our permit. The wetland will be restored and the topsoil replaced. In addition, Algonquin will replant the area with red maple saplings and our approved wetland seed mix. As reported in yesterday's email, our environmental inspectors and the FERC's inspector have been onsite.

Please let me know if you require anything further. I will keep you posted on further developments regarding the pullback activities and schedule for wetland restoration.

Thanks

Mike

-----Original Message-----

From: Youhas, Robert NAN [mailto:Robert.Youhas@usace.army.mil]

Sent: Monday, August 29, 2016 3:12 PM

To: Tyrrell, Michael <MTyrrell@trcsolutions.com>; Blackwell, Jason <JBlackwell@trcsolutions.com>; TWDoyles@spectraenergy.com; tcobrien@spectraenergy.com; marquardt.stephen@gmail.com

Cc: Yan, Jun NAN1 <Jun.Yan@usace.army.mil>; Pinzon, Ronald R NAN02 <Ronald.R.Pinzon@usace.army.mil>; Mallery, Christopher S NAN02 <Christopher.S.Mallery@usace.army.mil>; Ryba, Stephan A NAN02 <Stephan.A.Ryba@usace.army.mil>; DeMartino, Bart NAN02 <Bart.Demartino@usace.army.mil>

Subject: RE: AIM Project - Hudson River HDD Pullback

All:

Please provide an update regarding the depth of the excavation and approximately how many square feet/acres of wetland disturbance is occurring at the drill string recovery location.

Thanks.

Robert Youhas
Regulatory Branch, Eastern Section
U.S. Army Corps of Engineers New York District
26 Federal Plaza, Room 1937
New York, NY 10278
Phone: 917-790-8715
Fax: 212-264-4260

PLEASE USE THE ABOVE 18-CHARACTER FILE NUMBER ON ALL CORRESPONDENCE WITH THIS OFFICE

-----Original Message-----

From: Youhas, Robert NAN

Sent: Monday, August 29, 2016 8:16 AM

To: 'MTyrrell@trcsolutions.com' <MTyrrell@trcsolutions.com>

Cc: 'JBlackwell@trcsolutions.com' <JBlackwell@trcsolutions.com>; 'TWDoyles@spectraenergy.com' <TWDoyles@spectraenergy.com>; 'tcobrien@spectraenergy.com' <tcobrien@spectraenergy.com>; 'marquardt.stephen@gmail.com' <marquardt.stephen@gmail.com>; Yan, Jun NAN1 <Jun.Yan@usace.army.mil>; Ronald R NAN02 Pinzon (Ronald.R.Pinzon@usace.army.mil) <Ronald.R.Pinzon@usace.army.mil>; Mallery, Christopher S NAN02 <Christopher.S.Mallery@usace.army.mil>; Ryba, Stephan A NAN02 <Stephan.A.Ryba@usace.army.mil>

Subject: RE: AIM Project - Hudson River HDD Pullback

Michael:

Approximately how deep are you excavating and approximately how many square feet/acres of wetland disturbance will occur?

Thanks.

Robert Youhas
Regulatory Branch, Eastern Section
U.S. Army Corps of Engineers New York District
26 Federal Plaza, Room 1937
New York, NY 10278
Phone: 917-790-8715
Fax: 212-264-4260

-----Original Message-----

From: Yan, Jun NAN1
Sent: Monday, August 29, 2016 7:39 AM
To: Youhas, Robert NAN <Robert.Youhas@usace.army.mil>
Cc: Pinzon, Ronald R NAN02 <Ronald.R.Pinzon@usace.army.mil>
Subject: FW: AIM Project - Hudson River HDD Pullback

FYI 2

-----Original Message-----

From: Tyrrell, Michael [mailto:MTyrrell@trcsolutions.com]
Sent: Sunday, August 28, 2016 8:30 PM
To: Yan, Jun NAN1 <Jun.Yan@usace.army.mil>
Cc: Blackwell, Jason <JBlackwell@trcsolutions.com>; Doyle, Terrance W <TWDDoyle@spectraenergy.com>; O'Brien, Timothy C <tcobrien@spectraenergy.com>; Stephen Marquardt <marquardt.stephen@gmail.com>
Subject: [EXTERNAL] RE: AIM Project - Hudson River HDD Pullback

Hi Jun,

The HDD pullback continued through the weekend. However, we encountered a problem this morning on the west side of the river. While we are still evaluating the details with the contractor, the drill string that was connected to the pipeline pullback section became separated. Based on the number of joints pulled into the hole, the contractor believes that the separation occurred in the area between Wetland A14-SPLR-W100 and the drill rig on the west side of the river. This would put it west of the railroad tracks and away from the river itself. Today, the contractor began excavating in this area in an attempt to find the drill string. This requires a large excavation beginning from the area of Wetland A14-SPLR-W100 back to the drill rig. Some limited worked had to occur outside the workspace and slightly within the wetland. We have our environmental inspector onsite. In addition, FERC's inspector was onsite most of the day today and agreed that this was necessary and appropriate given the circumstances. The contractor is using E&S controls as necessary and we are closely monitoring any dewatering that may be necessary. I will report more details in the morning and will send some photographs. We are working closely with the contractor to resolve this situation as quickly as possible. Excavation will continue through the night tonight.

I'll send more details in the morning.

Thanks

Mike

From: Tyrrell, Michael
Sent: Friday, August 26, 2016 4:38 PM
To: 'Yan, Jun NAN1' <Jun.Yan@usace.army.mil>
Cc: Blackwell, Jason <JBlackwell@trcsolutions.com>; Doyle, Terrance W <TWDoyl@spectraenergy.com>
Subject: AIM Project - Hudson River HDD Pullback

Hi Jun,

Hope all is well. We have begun the pullback of the Hudson River HDD which is a major milestone for us (see picture). In the final stages of the drilling operation, an inadvertent release of drilling fluid occurred on the west side of the Hudson River in Wetland A14-SPLR-W100 (see attached map showing the location). The release was discovered early last Sunday morning. In accordance with the approved Best Drilling Practices, Monitoring and Clean-up of Horizontal Directional Drilling Inadvertent Returns Plan we filed with the FERC, Corps and other agencies, we took immediate action and installed hay bales and silt fence to contain the drilling mud. Additional silt fence and hay bales were installed on Monday and Tuesday as we monitored the situation and to further contain potential drilling mud releases in this area as the pullback is initiated. In addition, pumps were installed at the drilling mud release area to relay drilling mud back to the drilling mud recycling unit and/or vacuum trucks as the pullback moves forward. Backup pumps are staged onsite to ensure the prompt response should the situation change. Upon completion of the pullback (anticipated early next week), the area will be restored and the pumps removed.

The FERC monitor and NYSDEC staff have been notified as well.

Let me know if you have any questions.

Thanks

Mike

Mike Tyrrell
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