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U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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JUN 11 2015
State of Washington
UTC
Pipeline Safety Program

June 5, 2015

Mr. Vern Meier
Vice President – Pipeline Safety & Compliance
TransCanada Pipeline
700 Louisiana Street
Houston, TX 77002-2700

CPF 5-2015-1006W

Dear Mr. Meier:

Between May 19 and November 20, 2014, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) and the Washington Utilities and Transportation Commission (WUTC), pursuant to Chapter 601 of 49 United States Code, inspected the TransCanada (TCPL) Gas Transmission Northwest pipeline system (GTN) in the states of Idaho, Oregon and, Washington.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

1. **§192.921 How is the baseline assessment to be conducted?**

   (a) Assessment methods. An operator must assess the integrity of the line pipe in each covered segment by applying one or more of the following methods depending on the threats to which the covered segment is susceptible. An operator must select the method or methods best suited to address the threats identified to the covered segment (See § 192.917).
   ... (4) Other technology that an operator demonstrates can provide an equivalent understanding of the condition of the line pipe. An operator choosing this option must notify the Office of Pipeline Safety (OPS) 180 days before conducting the assessment, in accordance with §192.949. An operator must also notify a State or local pipeline safety authority when either a covered segment is located in a State where OPS has an interstate agent agreement, or an intrastate covered segment is regulated by that State.

TCPL employed an "Other Technology" assessment method in their evaluation of Stress Corrosion Cracking (SCC) on the GTN system, prior to demonstrating that that the "Other Technology" can provide an equivalent understanding of the condition of the line pipe.

TCPL uses "Other Technology", Active Integrated Condition Monitoring (AICM), to assess, evaluate and monitor High Consequence Area (HCA) pipeline segments that have been categorized as having a "low" threat level for Stress Corrosion Cracking (SCC) through application of the process documented in *TEP-ITM-SCC Stress Corrosion Cracking (SCC) Threat Management Program US*, EDMS 006878841. TCPL noticed (GT IM Notification #300) PHMSA on 06/15/2012 according to §49CFR192.92 (a)(4). On December 17, 2014, PHMSA changed the status of TCPL GT IM Notification #300 to "Objections Noted." TCPL did not have finalized (signed) procedures for all AICM procedures. The AICM procedures did not fully detail how segments were prioritized, selected, and how and when remediation procedures such as excavation, pressure tests or in-inline inspection tools were used. Re-inspection intervals including how they are determined were not outlined in the procedures.

2. **§192.603 General provisions**

   (b) Each operator shall keep records necessary to administer the procedures established under §192.605.

TCPL could not provide documentation that the Emergency plan required by §49CFR192.615 was reviewed and updated once each calendar, not to exceed 15 months, in accordance with §49CFR192.605(a). A signature page approving the plan annual review and update could not be located.

Under 49 United States Code, §60122, you are subject to a civil penalty not to exceed $200,000 per violation per day the violation persists up to a maximum of $2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum

penalty may not exceed $100,000 per violation per day, with a maximum penalty not to exceed $1,000,000 for a related series of violations.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2015-1006W** and for each document you submit, please provide a copy in electronic format to PHP-WRADMIN@dot.gov whenever possible. Be advised that all material you submit in response to this enforcement action is subject to being 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).

Sincerely,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 Jason Dunphy
WUTC