

Mr. Vern Meier  
Vice President, Field Operations  
ANR Pipeline Company  
717 Texas Avenue  
Houston, TX 77002

**RE: CPF No. 2-2004-1004**

Dear Mr. Meier:

Enclosed is the Final Order issued by Pipeline and Hazardous Materials Safety Administration in the above-referenced case. It makes a finding of violation and assesses a civil penalty of \$5,000. I acknowledge receipt of your payment of \$5,000 and accept it as payment in full of the penalty. This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Linda Daugherty, Director, Southern Region, PHMSA

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

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**In the Matter of**

**ANR PIPELINE COMPANY,**

**Respondent.**  
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**CPF No. 2-2004-1004**

**FINAL ORDER**

Between May and August 2003, pursuant to 49 U.S.C. § 60117, a representative of the Research and Special Programs Administration, Office of Pipeline Safety (OPS),<sup>1</sup> conducted an on-site pipeline safety inspection of the facilities and records of ANR Pipeline Company (ANR or Respondent) in its Alabama, Arkansas, Kentucky, Louisiana, Mississippi, and Tennessee operating areas. Respondent is a wholly-owned subsidiary of TransCanada Corporation, which owns over 36,500 miles of natural gas pipelines throughout Canada, the United States, and Mexico.<sup>2</sup> As a result of the inspection, the Director, Southern Region, OPS (Director), issued to Respondent, by letter dated April 30, 2004, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. §190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. § 192.745(a) and assessing a civil penalty of \$5,000 for the alleged violation.

ANR responded to the Notice by letter dated June 4, 2004 (Response). Respondent did not contest the allegation of violation but provided information concerning certain corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

**FINDING OF VIOLATION**

Pursuant to 49 U.S.C. § 60122 and 49 C.F.R. §§ 190.209(a)(1) and 190.213, I find that Respondent violated 49 C.F.R. Part 192, as follows:

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 192.745(a), which states:

<sup>1</sup> Effective February 20, 2005, the Pipeline and Hazardous Materials Safety Administration (PHMSA) was created to ensure safety in pipeline and hazardous materials transportation. See, Section 108 of the Norman Y. Mineta Research and Special Programs Improvement Act (Public Law 108-426, 118 Stat. 2423-2429 (November 30, 2004)). See also, 70 Fed. Reg. 8299 (February 18, 2005), re delegating the pipeline safety functions of the Research and Special Programs Administration to PHMSA.

<sup>2</sup> At the time of the inspection, ANR was owned by El Paso Corporation, which subsequently transferred ownership to TransCanada Corporation in 2007.

**§ 192.745 Valve maintenance: Transmission lines.**

(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year....

The Notice alleged that during 2001 and 2002, ANR failed to inspect and partially operate, within the required interval, 18 line valves that might be used in emergencies. The valves and inspection dates were as follows:

<u>VALVE</u>	<u>2001 INSPECTION</u>	<u>2002 INSPECTION</u>	<u>EXCEEDS 15 MONTHS BY:</u>
501-30-11	08/21/2001	12/27/2002	1 month, 6 days
501-30-12	08/21/2001	12/27/2002	1 month, 6 days
501-30-13	08/21/2001	12/27/2002	1 month, 6 days
501-30-C	08/21/2001	12/27/2002	1 month, 6 days
501-30-D	08/21/2001	12/27/2002	1 month, 6 days
501-30-21	08/21/2001	12/27/2002	1 month, 6 days
501-30-22	08/21/2001	12/27/2002	1 month, 6 days
501-30-A	08/21/2001	12/27/2002	1 month, 6 days
501-30-B	08/21/2001	12/27/2002	1 month, 6 days
501-30-32	08/21/2001	12/27/2002	1 month, 6 days
501-30-F	08/21/2001	12/27/2002	1 month, 6 days
501-30-17	08/21/2001	12/27/2002	1 month, 6 days
501-30A-3	08/21/2001	12/27/2002	1 month, 5 days
501-30A-A	08/21/2001	12/27/2002	1 month, 5 days
501-30A-B	08/21/2001	12/27/2002	1 month, 5 days
501-30-A-18	08/21/2001	12/27/2002	1 month, 5 days
501-30A-19	08/21/2001	12/27/2002	1 month, 5 days
501-30-E	08/21/2001	12/27/2002	1 month, 5 days.

In its Response, ANR did not contest the allegation but indicated that it had examined its maintenance scheduling practices and would implement two processes to ensure that similar violations would not occur in the future. The first would revise the company's work orders to size them more properly to reflect the actual work being performed. In the alternative, the company would implement other appropriate steps tailored to specific location conditions.

Valve inspections at the required time intervals are essential in order for operators to know that their pipeline equipment is functioning properly and its integrity is not compromised. After considering all of the evidence, I find that Respondent violated 49 C.F.R. § 192.745(a) by failing to inspect the valves listed above at intervals not exceeding 15 months, but at least once each calendar year.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

**ASSESSMENT OF PENALTY**

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed \$100,000 per violation for each day of violation, up to a maximum of \$1,000,000 for any related series of violations.

49 U.S.C. § 60122 and 49 C.F.R. § 190.225 require that, in determining the amount of the civil penalty, I consider the following criteria: nature, circumstances, and gravity of the violation, including adverse impact on the environment; degree of Respondent's culpability, the history of Respondent's prior offenses, Respondent's ability to pay the penalty, and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require.

**Item 1** of the Notice proposed a civil penalty of \$5,000 for violation of 49 C.F.R. § 192.745(a). As noted above, Respondent failed to inspect and partially operate 18 of its line valves that might be used in emergencies within the required intervals between August 2001 and December 2002. ANR did not contest the allegation but provided certain information about corrective actions it had taken to prevent future violations.

The inspection requirements set forth in § 192.745(a) are designed to reduce the risk of accident and injury to human life, the environment, and property in the event of pipeline emergencies. Inoperative or malfunctioning valves may delay appropriate emergency response, thereby exposing the public and the environment to greater risks of injury and damage. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$5,000, which Respondent has already remitted to PHMSA.

The terms and conditions of this Final Order shall be effective upon receipt.

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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

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Date Issued