U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, D.C. 20590

DEC 16 2009

Mr. Kyle Keith
Manager, Program Planning – Pipeline Integrity
TransCanada Pipelines Limited
450 1st Street, S.W.
Calgary, Alberta, Canada T2P 5H1

Docket No. PHMSA-2008-0156

Dear Mr. Keith:

On May 22, 2008, you wrote to the Pipeline and Hazardous Materials Safety Administration (PHMSA) requesting a special permit to waive compliance from PHMSA's pipeline safety regulation in 49 CFR § 192.611 for 17 segments of Gas Transmission Northwest (GTN) system operated by TransCanada Pipelines Limited located in the states of Idaho, Washington and Oregon. The regulation requires confirmation or revision of the maximum allowable operating pressure (MAOP) of a pipeline segment where the class location has changed.

PHMSA is denying the special permit request to operate 17 segments of newly re-classified Class 1 and Class 2 areas as either Class 2 or Class 3 areas for TransCanada's GTN system located in the states of Idaho, Washington and Oregon. The basis for this denial is due to non-compliance with the hydrostatic test requirements specified in PHMSA's "Criteria for Considering Class Location Waiver Requests." This document was referenced in the Federal Register published on June 29, 2004, (69 FR 38948), and may be reviewed on-line at www.Regulations.gov under Docket PHMSA-RSPA-2004-17401. A Special Permit Analysis and Findings document is enclosed in support of this denial.

TransCanada has requested to operate newly re-classified Class 1 to 2 areas as Class 2 locations and one Class 2 to 3 location without meeting the 1.25 x MAOP hydrotest criteria in 49 CFR §192.611 and Docket RSPA-04-17401. PHMSA is requiring TransCanada to proceed to meet 49 CFR § 192.611 requirements for a class location change within 12 months from the date of this denial letter.

My staff would be pleased to discuss any other regulatory matter with you. John Gale, Director of Regulations (202-366-0434), may be contacted on regulatory matters and Alan Mayberry, Director of Engineering and Emergency Support (202-366-5124), may be contacted on technical matters specific to this denial.

Sincerely,

Jeffrey D. Wiese
Associate Administrator for Pipeline Safety

Enclosure: Special Permit Analysis and Findings

U.S. DEPARTMENT OF TRANSPORTATION

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION (PHMSA)

Special Permit Analysis and Findings

Purpose:

This information is provided to describe the relevant facts of the **special permit petition denial** described below, the engineering and safety analysis of the petition completed by the Pipeline and Hazardous Materials Safety Administration (PHMSA) and the findings supporting the denial of a special permit TransCanada Pipelines Limited operator of the Gas Transmission Northwest system.

Special Permit Information:

Docket Number:	PHMSA-2008-0156
Pipeline Operator:	TransCanada Pipelines Limited operator of the Gas Transmission Northwest pipeline system
Date Requested:	May 22, 2008
Code Section(s):	49 CFR § 192.611(a)

Pipeline System Affected: This **special permit denial** applies to 17 ***special permit segments*** along the Gas Transmission Northwest (GTN) Line A natural gas transmission pipeline in the states of Idaho, Washington, and Oregon (counties of Boundary, Bonner, Kootenai, Spokane, Walla Walla, Umatilla, Morrow, Deschutes, and Klamath), where the class location along the pipeline has changed from an original Class 1or 2 Location to a Class 2 or 3 Location.

This special permit denial applies to the ***special permit segments*** defined using the **GTN Line A** references as follows:

- **Special Permit Segment 1** – length 0.90 miles, Mile Post 3.40 to Mile Post 4.30 – 113% MAOP Test Pressure – 1032 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey
- **Special Permit Segment 2** – length 1.66 miles, Mile Post 8.61 to Mile Post 10.27 – 113% MAOP Test Pressure – 1032 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey

- **Special Permit Segment 3** – length 0.66 miles, Mile Post 30.94 to Mile Post 31.60 – 112% MAOP Test Pressure – 1024 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey
- **Special Permit Segment 4** – length 1.74 miles, Mile Post 34.03 to Mile Post 35.77 – 112% MAOP Test Pressure – 1024 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey
- **Special Permit Segment 5** – length 2.15 miles, Mile Post 43.16 to Mile Post 45.31 – 112% MAOP Test Pressure – 1024 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey
- **Special Permit Segment 6** – length 0.83 miles, Mile Post 48.37 to Mile Post 49.20– 112% MAOP Test Pressure – 1024 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey
- **Special Permit Segment 7** – length 0.38 miles, Mile Post 49.35 to Mile Post 49.73 – 112% MAOP Test Pressure – 1024 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey
- **Special Permit Segment 8** – length 0.54 miles, Mile Post 72.45 to Mile Post 72.99 – 115% MAOP Test Pressure – 1048 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey
- **Special Permit Segment 9*** – length 0.79 miles, Mile Post 96.82 to Mile Post 97.61 – 112% MAOP Test Pressure – 1022 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey
- **Special Permit Segment 10** – length 0.67 miles, Mile Post 99.27 to Mile Post 99.94 – 112% MAOP Test Pressure – 1022 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey
- **Special Permit Segment 11** – length 0.38 miles, Mile Post 101.88 to Mile Post 102.26– 112% MAOP Test Pressure – 1022 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey
- **Special Permit Segment 12** – length 0.37 miles, Mile Post 102.51 to Mile Post 102.88 – 112% MAOP Test Pressure – 1022 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey

- **Special Permit Segment 13** – length 0.48 miles, Mile Post 116.01 to Mile Post 116.49– 121% MAOP Test Pressure – 1105 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey
- **Special Permit Segment 14** – length 1.20 miles, Mile Post 116.76 to Mile Post 117.96– 121% MAOP Test Pressure – 1105 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey
- **Special Permit Segment 15** – length 0.92 miles, Mile Post 118.19 to Mile Post 119.11 – 120% MAOP Test Pressure – 1093 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey
- **Special Permit Segment 16** – length 0.37 miles, Mile Post 282.97 to Mile Post 283.34– 119% MAOP Test Pressure – 1086 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey
- **Special Permit Segment 17** – length 0.67 miles, Mile Post 491.91 to Mile Post 492.58– 111% MAOP Test Pressure – 1013 psig test pressure – 911 psig MAOP – ILI 2006 – 39% NDE girth welds – no cover survey

Note: * Segment 9 is a Class 2 to Class 3 location.

Special Permit Request

GTN petitioned PHMSA on May 22, 2008, for a special permit seeking relief from the Federal pipeline safety regulations in 49 CFR § 192.611(a) for 17 segments of GTN's Line A natural gas transmission pipeline where a change has occurred from a original Class 1 or Class 2 location per 192.611) to a Class 2 or 3 location in the states of Idaho, Washington, and Oregon. This **special permit analysis and findings document denies** GTN to continue to operate the pipeline segment at its current maximum allowable operating pressure (MAOP). The Federal pipeline safety regulations in 49 CFR § 192.611(a) require natural gas pipeline operators to confirm or revise the MAOP of a pipeline segment after a change in class location.

Public Notice:

On June 23, 2008, PHMSA posted a notice of this special permit request in the Federal Register *(72 FR 35437)*. PHMSA did not receive any comments for or against this special permit request as a result of this notice. The request letter, Federal Register notice and all other pertinent documents are available for review in *Docket No.* PHMSA-2008-0156 in the Federal Docke*t Management System* (FDMS) located on the interne t at www.Regulations.gov.

Analysis:

Background: On June 29, 2004, PHMSA published in the Federal Register (69 FR 38948) the criteria it uses for the consideration of class location change waivers, now being granted through a special permit. First, certain threshold requirements must be met for a pipeline section to be further evaluated for a class location change special permit. Second, the age and manufacturing process of the pipe; system design and construction; environmental, operating and maintenance histories; and integrity management program elements are evaluated as significant criteria. These significant criteria are presented in matrix form and can be reviewed in the DMS, Docket Number PHMSA–RSPA-2004-17401. Third, such special permits will only then be granted when pipe conditions and active integrity management provides a level of safety greater than or equal to a pipe replacement or pressure reduction.

Threshold Requirements: Each of the threshold requirements published by PHMSA in the June 29, 2004, FR notice is discussed below in regards to the GTN special permit petition.

1) No pipeline segments in a class location changing to Class 4 location will be considered. GTN does not have any pipe in Class 4 locations and thus meets this requirement.
2) No bare pipe will be considered. GTN has met this requirement.
3) No pipe containing wrinkle bends will be considered. There are no wrinkle bends in the *special permit segments*. GTN has met this requirement.
4) No pipe segments operating above 72% of the specified minimum yield strength (SMYS) will be considered for a Class 3 special permit. The *special permit segments* operates at or below 72% SMYS. GTN has met this requirement.
5) Records must be produced that show a hydrostatic test to at least 1.25 x maximum allowable operating pressure (MAOP) and 90% of SMYS. **GTN has not met this requirement.**

6) In-line inspection (ILI) must have been performed with no significant anomalies identified that indicate systemic problems. The proposed *special permit segments* were last inspected by ILI in 2006, with no immediately actionable anomalies found. GTN has met this requirement for wall loss.
7) Criteria for consideration of class location change waiver are published by PHMSA in the Federal Register (69 FR 38948), define a *waiver inspection area (special permit inspection area)* as up to 25 miles of pipe either side of the *waiver segment (special permit segment).* The *special permit inspection area* must be inspected according to GTN's integrity management program and periodically inspected with an in-line inspection technique. **GTN is not being considered for a special permit since it's proposed special permit segments do not meet Condition 5 above for hydrostatic test pressures.**

Criteria Matrix: The original and supplemental data submitted by GTN has been reviewed by PHMSA and it has determined that granting a special permit to GTN on these special permit segments **will be inconsistent with safety and thus is denying this request**.

Findings:

Based on the information submitted by GTN and PHMSA's knowledge of natural gas pipeline operational requirements, PHMSA finds that granting this special permit to GTN to operate a segment of the GTN Line A, a natural gas transmission pipeline, at the current MAOP where a change in class location has occurred from a Class 1 or 2 location, to a Class 2 or 3 location is inconsistent with pipeline safety. PHMSA's special permit analysis shows that the ***special permit segments*** **do not meet the minimum hydrostatic test pressure of 1.25 x MAOP, which is a threshold requirement.**

PHMSA requires that GTN Line A ***special permit segments*** meet the following:

TransCanada/GTN must proceed to meet 49 CFR §192.611 requirements for a class location change within 12 months from the date of this denial letter.

Completed in Washington DC on: DEC 16 2009