

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 28, 2013

Mr. Vern Meier
Vice President, Operations
TransCanada U.S. Pipeline
717 Texas Avenue, Suite 2400
P.O. Box 2446
Houston, Texas 77252-2446

CPF 3-2013-5026M

Dear Mr. Meier:

On July 27-29, 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected TransCanada U.S. Pipeline's (TransCanada) procedures for Public Awareness Program Effectiveness in Calgary, Alberta, Canada.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within TransCanada's plans or procedures, as described below:

1. § 195.440 Public awareness.

(c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

TransCanada's procedures are inadequate because its Public Awareness Plan does not include a written process for conducting an annual implementation review per API RP 1162 that verifies the program has been implemented.

TransCanada's procedures are inadequate because its Public Awareness Plan does not include a written process for conducting the annual supplemental review for the entire system according to all twelve elements listed in API RP 1162. In addition, the plan does not reference the use of the supplemental review template located on the internal share point site.

TransCanada's procedures are inadequate because its Public Awareness Plan does not include a written process ensuring that information about its response capabilities is shared and that a liaison relationship with emergency officials is maintained at an acceptable interval.

TransCanada's procedures are inadequate because its Public Awareness Plan does not include a written process for documenting the annual implementation review at the corporate or regional level.

TransCanada's procedures are inadequate because its Public Awareness Plan does not include a written process to document the results of the annual implementation review. The Plan does not identify what was changed; when the change was to be completed; who completed the change; and when the change was completed?

TransCanada's procedures are inadequate because its Public Awareness Plan does not include a written process that defines what are appropriate preventive behavior measures, appropriate responses, and appropriate mitigating behaviors that augment the Plan's performance.

TransCanada's procedures are inadequate because its Public Awareness Plan does not include a written process to measure bottom line results, such as the affected public's perception of the safety of the operator's system or provide justification in its program.

TransCanada's procedures are inadequate because its Public Awareness Plan does not include a written process that documents the changes, recommendations, responsibilities, and completion of changes during the effectiveness evaluation.

2. § 195.440 Public awareness.

(d) The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:

TransCanada's procedures are inadequate because its Public Awareness Plan's baseline messaging to public officials and excavators does not contain all the messages required from API RP 1162.

3. § 195.440 Public awareness.

(e) The program must include activities to advise affected municipalities, school districts, businesses, and residents of pipeline facility locations.

TransCanada's procedures are inadequate because its Public Awareness Plan does not include a written process to ensure that affected schools are properly advised of appropriate safety messages, including the pipeline facility locations.

4. § 195.440 Public awareness.

(f) The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports gas.

TransCanada's procedures are inadequate because its Public Awareness Plan does not include a written process for periodically evaluating the need for using other languages to communicate with its stakeholder audiences and determining when to provide messaging in alternate languages.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that TransCanada maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Linda Daugherty,

Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2013-10XXM** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Linda Daugherty
Director, Central Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: Robert Jones
4450 1st Street S.W.
Calgary, Alberta, CAN T2P 5H1