

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 14, 2012

Mr. Vern Meier VP, Field Operations ANR Pipeline Co. 717 Texas Avenue Houston, TX 77002

CPF 4-2012-1012W

Dear Mr. Meier:

On multiple occasions from October 17, 2011 thru February 3, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your natural gas transmission pipeline facilities in Lafayette, LA and West Monroe, LA.

As a result of the inspection, it appears that you have committed § 192.471(a) and § 192.605(a) of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

- 1. § 192.471 External corrosion control: Test leads.
 - (a) Each test lead wire must be connected to the pipeline so as to remain mechanically secure and electrically conductive.

Test lead wire was not connected to main pipeline 501-0 at MP -123.8 at the time of inspection. Operator was not able to monitor the pipe-to-soil potential due to the broken test lead. The operator's volt meter indicated a 0 V cathodic protection reading at this location.

2. § 192.605 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

TransCanada – ANR Lafayette Team area did not follow company procedures for the inspection of over pressure protection equipment for the 2010 calendar year. TransCanada Operating Procedures – DOT Regulator Inspection and Maintenance, Section 5.0, #3, page 4 of 5; and Pressure Safety Valve Inspection, Section 5.0, #2, page 3 of 6 requires that if the over pressure device passes inspection, record the "As found" and "As left" pressures for the appropriate device (task) in the Activities section of the CMMS work order, then close the task. TransCanada did not record this data for its regulators and pressure safety valve inspections.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in ANR Pipeline Co. being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2012-1012W.** 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,

R. M. Seeley

Director, Southwest Region

Pipeline and Hazardous Materials Safety Administration