

U.S. Department of Transportation

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

Pipeline and Hazardous Materials Safety Administration

<u>CERTIFIED MAIL - RETURN RECEIPT REQUESTED</u>

February 12, 2013

Mr. Lee Hobbs President and General Manager North Baja Pipeline, LLC 717 Texas Street Houston, TX 77002-2761

CPF 5-2011-1001 Closure Letter

Dear Mr. Hobbs:

On November 28, 2012, the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued to North Baja Pipeline LLC a Final Order in the above-referenced case. The Final Order included a Compliance Order to take remedial actions on the portions of the pipelines located inside the Ehrenberg Compressor Station grounds. Specifically, North Baja Pipeline LLC modified its procedure 192.463 – Cathodic Protection Criteria, section 4.0 subpart 5.

North Baja Pipeline LLC also submitted the semi-annual reports describing efforts to follow its written procedures for repairing pipeline coating damage. It has been determined that TransCanada/North Baja Pipeline LLC has established an acceptable record of following its written procedures for repairing pipeline coating damage. It has been determined that you have complied with the terms of this Order. PHMSA also received your civil penalty payment.

Accordingly, this case is now closed and no further action is contemplated with respect to the matters involved in this case. Thank you for your cooperation in this matter.

Sincerely. Chris Hoidal

Director, Western Region Pipeline and Hazardous Materials Safety Administration

cc: Robert Miller, ACC Tom Finch, PHP 500