

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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