

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 19, 2013

Mr. Vern Meier  
Vice President, Field Operations  
TransCanada, Great Lakes Gas Transmission  
717 Texas Avenue, Suite 2400  
Houston, Texas 77002-2761

**CPF 3-2013-1014W**

Dear Mr. Meier:

On May 14 – May 18, July 30 – August 2, September 17 - 25, October 4 and November 2, 2012, representatives of the Michigan Public Service Commission (MI-PSC) and the Minnesota Office of Pipeline Safety (MNOPS) acting as interstate agents the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your pipeline facilities in Minnesota and Michigan.

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

- 1. §192.605 Procedural manual for operations, maintenance, and emergencies**  
**Each operator shall maintain the following records for transmission line for the periods specified:**
  - (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 one 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.**

Great Lakes personnel did not follow their procedures for the inspection of the overpressure protection devices. TransCanada ANR's procedures "DOT Regulator Inspection and Maintenance, Section 5.0" and "Pressure Safety Valve Inspection Section 5.0" both require that the "As Found" and "As Left" data be recorded. This was not being documented on the overpressure protection inspection forms for Thief River Falls and the Shevline Compressor Stations in Minnesota and Crystal Falls Station in Michigan.

Great Lakes personnel indicated that the relief devices at the stations were inspected, but could not provide documentation for the "As Left" and "As Found" data on the overpressure protection forms.

**2. §192.707 Line markers for mains and transmission lines.**

**(d) Marker warning. The following must be written legibly on a background of sharply contrasting color on each line marker:**

- (1) The word "Warning," "Caution," or "Danger" followed by the words "Gas (or name of gas transported) Pipeline" all of which, except for markers in heavily developed urban areas, must be in letters at least 1 inch (25 millimeters) high with ¼ inch (6.4 millimeters) stroke.**

Great Lake's line markers did not contain marker warnings legibly on a background of sharply contrasting color on numerous line markers throughout their system in Minnesota and Michigan.

During the Minnesota field inspection, the marker warning on line markers were noted as being faded/unreadable. There were a significant amount of line markers with faded lettering that could not be read. The areas of pipeline right-of-way seen during the inspection with faded line markers included Bemidji to Grand Rapids, Minnesota. Pictures of a the line markers at Mile Post 149.5, Mile Post 250, and Grand rapids Station were taken as a representative sample of the condition of the line markers.

Additionally, in Michigan, it was noted that line markers were faded throughout the system. During the Blue Lake Area field inspection, the marker warning on the line markers were observed as faded and unreadable at Mile Post 734.7 and 726.0. It was also noted in the Northern Lakes Area field inspection where the marker warning on numerous line markers were observed as faded and unreadable.

After the inspections, Great Lakes personnel surveyed and replaced all the faded line markers along their right-of-way.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a 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 TransCanada, Great Lakes Gas Transmission 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 3-2013-1014W**. 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,

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