

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 17, 2015

Mr. Vern Meier
Vice President Field Operations
ANR Pipeline Company
717 Texas Avenue
Houston, TX 77002

CPF 4-2015-2001

Dear Mr. Meier:

On February 2, 2014 through September 18, 2014, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected ANR Pipeline Company's (ANR) pipeline assets in Louisiana, Offshore Louisiana, Mississippi and Tennessee.

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

1. **§192.612 Underwater inspection and reburial of pipelines in the Gulf of Mexico and its inlets.**
 - (a) **Each operator shall prepare and follow a procedure to identify its pipelines in the Gulf of Mexico and its inlets in waters less than 15 feet (4.6 meters) deep as measured from mean low water that are at risk of being an exposed underwater pipeline or a hazard to navigation. The procedures must be in effect August 10, 2005.**

ANR failed to follow their written procedures for underwater inspection of pipelines in the Gulf of Mexico and its inlets in waters less than 15 feet deep. ANR is a subsidiary of and is operated under the TransCanada Procedures. ANR's procedures, "**192.612 Underwater Inspection and Reburial of Pipelines in the Gulf of Mexico and Its Inlets**" specify that inspections of pipelines in the Gulf of Mexico and its inlets in less than 15 feet of water as measured from mean low water mark will be conducted every 7 years. ANR failed to perform the underwater inspection within 7 years of the last inspection conducted in June 26, 2006. The subsequent underwater inspection was performed on November 19, 2014.

Proposed Civil Penalty

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. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$21,900 for item 1.

Response to this Notice

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. All material submit in response to this enforcement action may be 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.

In your correspondence on this matter, please refer to **CPF 4-2015-2001** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

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