

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 1, 2011

Mr. Vern Meier
Vice President, US Pipelines
TransCanada Corporation
717 Texas Street
Houston, TX 77002-2761

CPF 5-2011-1009W

Dear Mr. Meier:

On May 24 to 27, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Gas Transmission Northwest (GTN) pipeline procedures and records in Wallula, Washington. Field inspections of the GTN pipeline facilities between Milepost 360 and 612 were performed.

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. **§192.705 Transmission lines: Patrolling.**
 - (b) **The frequency of patrols is determined by the size of the line, the operating pressures, the class location, terrain, weather, and other relevant factors, but intervals between patrols may not be longer than prescribed in the following table:**

Class location of line	Maximum interval between patrols At highway and railroad crossings	At all other places
1, 2	7 1/2 months; but at least twice each calendar year	15 months; but at least once each calendar year
3	4 1/2 months; but at least four times each calendar year	7 1/2 months; but at least twice each calendar year
4	4 1/2 months; but at least four times each calendar year	4 1/2 months; but at least four times each calendar year

At the time of the inspection, GTN could not provide evidence that they completed the required patrols of their Coyote Lateral railroad crossings at the required frequency. A comprehensive review of patrolling records provided by GTN indicates that no patrols of the railroad crossings were conducted from 4/20/2009 to 10/19/2009, a period of six (6) months. The patrolling requirements for railroad crossings in Class 3 areas require no more than four and one half months between patrols. Employees of GTN present during the inspection could not confirm that an interim patrol of the railroad crossings was done in the Class 3 areas.

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 items identified in this letter. Failure to do so will result in TransCanada Corporation 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 5-2011-1009W**. 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,

Chris Hoidal
 Director, Western Region
 Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
 PHP-500 J. Haddow (#132925)