

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 17, 2012

Mr. Ken Leier
Regional Director
TransCanada, Gas Transmission Northwest Corporation
U.S. Western Pipeline Region
1400 SW 5th Ave., Suite 900
Portland, OR 97201

CPF 5-2012-1012W

Dear Mr. Leier:

On November 28 through December 2, 2011, a representative of the Washington Utilities and Transportation Commission (WUTC), on behalf of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Gas Transmission Northwest Corporation's (GTN) pipeline facilities in Eastern Washington. Our representative observed field conditions, reviewed Operation and Maintenance (O&M) procedures, and O&M records for the GTN Pipeline's in the Rosalia District.

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 item inspected and the probable violation is:

- 1. §192.465(d), Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.**

CFR §192.465(d) requires that each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring. The proper level of cathodic protection is specified in §192.463 and Appendix D to Part 192. The probable violation is for not taking prompt

remedial action to correct the pipe-to-soil potential with respect to the native potential as required by Appendix D, I, A, (3).

During the annual surveys for 2010 and 2011, the pipe-to-soil “off” potential was less than 100 mV with respect to the “native” potentials for the following locations:

At MP 110.2 the native potential is -698 mV and 2010 P/S was -669 mV and 2011 P/S was -748 mV, and

At MP 110.8 the native potential is -708 mV and 2010 P/S was -640 mV and 2011 P/S was -792 mV.

The low cathodic protection level persisted for over a year, indicating the operator has not corrected the deficiency in a prompt manner.

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 item identified in this letter. Failure to do so will result in TransCanada, Gas Transmission Northwest Corporation (GTN) 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 5-2012-1012W**. 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: David Lykken, Washington UTC
PHP-60 Compliance Registry
PHP-500 R. Reineke (#133012)

