

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 21, 2012

Mr. Vern Meier
VP, US Pipelines, Field Operations
TransCanada Corporation
717 Texas Avenue
Houston, TX 77002

CPF 5-2012-1004W

Dear Mr. Meier:

On October 17 to 21, 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 Corporation facilities in Redmond, Oregon.

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. §192.173 Compressor stations: Ventilation.**
Each compressor station building must be ventilated to ensure that employees are not endangered by the accumulation of gas in rooms, sumps, attics, pits, or other enclosed places.

At the time of the inspection the dry gas seal vents did not extend above the roof lines at Compressor Stations #11 and #14. The vents need to be extended above the roof line to preclude possible gas accumulations in the compressor stations.

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(s) identified in this letter. Failure to do so will result in TransCanada / Gas Transmission Northwest 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 5-2012-1004W**. 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 (#132926)