U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.771.7800

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

November 28, 2017

Mr. Randal Broussard
US Gas Operations East, Svp
Columbia Gas Transmission, LLC
201 Energy Parkway, Suite 100
Lafayette, LA 70508

CPF 1-2017-1018W

Dear Mr. Broussard:

Pursuant to 49 U.S.C. §60118(c) and 49 C.F.R. §190.341, Columbia Gas Transmission, LLC (CGT), a second-tier subsidiary of TransCanada Corporation (TC), filed a special permit request with the Pipeline & Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), for a waiver from certain provisions of 49 C.F.R. § Part 192. On April 13, 2010, PHMSA issued an order granting CGT a special permit with certain conditions and limitations (Order). The Order was renewed for April 13, 2015 to April 13, 2020. *See* PHMSA-2008-0331.

On August 29, 2017, a representative of PHMSA, OPS, pursuant to Chapter 601 of 49 United States Code, inspected the pipeline procedures and records of TC to confirm the company's compliance with the Order.

As a result of the inspection, it is alleged that TC has committed a probable violation of the Order. Pursuant to 49 C.F.R. §190.341 (k) PHMSA inspects for compliance with the terms and conditions of special permits and if a probable violation is identified, PHMSA will initiate one or more of the enforcement actions under subpart B of this part. As stated in 49 C.F.R. §190.203(f), when information obtained from an inspection indicates that further OPS action is warranted, OPS may initiate one or more enforcement proceedings prescribed in §190.207 through 190.235.

The items inspected and the probable violations are:

1. **Condition 15**

Annual Reports to PHMSA: Within three (3) months following the grant of this special permit and annually[11] thereafter, CGT must report the following to the Director,

PHMSA, OPS (OPS), Eastern Region; Director, PHMSA, OPS, Standards and Rulemaking Division; and submit a copy to the Federal Register Docket (PHMSA-2008-0331) at regulations.gov:

Footnote 11 Annual reports must be received by PHMSA by the last day of the month in which the Special Permit is dated. For example, the annual report for a Special Permit dated April 13, 2010, must be received by PHMSA no later than April 30, each year beginning in 2011. For special permit renewals the annual report date would remain the same reporting month as previously established.

TC failed to issue an Annual Report to the Director, PHMSA, OPS, Eastern Region by the last day of the month in which the Special Permit is dated.

TC provided an Annual Report on May 3, 2017, three days after the due date of April 30, 2017.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed $209,002 per violation per day the violation persists up to a maximum of $2,090,022 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 Corporation being subject to additional enforcement action.

Please 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).

No reply to this letter is required. If you choose to reply, please submit all correspondence in this matter to Robert Burrough, Acting Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. Please refer to **CPF 1-2017-1018W** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

for Robert Burrough
Acting Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration