

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

December 14, 2017

Mr. Stanley Chapman III
President, US Gas Pipelines
Columbia Midstream Group, LLC
700 Louisiana Street, Suite 700
Houston, TX 77002

CPF 1-2017-6009W

Dear Mr. Chapman:

From April 24-28, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected the procedures and records of Columbia Midstream Group, LLC, a subsidiary of TransCanada (TransCanada), at its pipeline facility located in Leetonia, Ohio.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violation(s) are:

1. § 195.402(a) Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

TransCanada failed to follow its procedural manual for operations, maintenance and emergencies. Specifically, TransCanada failed to follow its "Emergency Response Plan Manual Administration

Plan”, dated 12/07/16 (Procedure), by failing to document the Emergency Response Plan Manual review as required.

During the inspection, the PHMSA inspector reviewed TransCanada’s Procedure. The Procedure, Section 3 stated, “When an Emergency Response Plan Manual is reviewed or updated, it should be documented in the Company work management system using Procedure Review and Update Emergency Pre-plans.”

The PHMSA inspector requested records for the 2015 – 2016 emergency response plan manual. TransCanada provided the “Liquid Pipeline Emergency Response Plan – Appendix D – Change Log” for Emergency Plan No. 400.017.422LP, Liquid Pipeline Emergency Plan: Hickory Bend Liquid Pipeline System, Revised 2/16/2017. This document lists the brief description of changes to the emergency response manual.

The document did not indicate the following data:

- Date of annual review
- Personnel who conducted annual review
- Proper form

During the inspection, the PHMSA inspector asked TransCanada how the records demonstrated compliance to performing an annual review, per the Procedure. TransCanada responded, “There is no record of annual review other than the change log information.”

Therefore, TransCanada failed to follow its Procedure for the 2015 and 2016 calendar years regarding documenting the review of its Emergency Response Plan Manual.

2. § 195.402(a) Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

TransCanada failed to review its operations and maintenance (O&M) manual at intervals not exceeding 15 months, but at least once each calendar year. Specifically, TransCanada failed to conduct an annual review of its O&M manual during the 2016 calendar year.

During the inspection, the PHMSA inspector requested records for the 2014 – 2016 O&M annual reviews. TransCanada provided the records, “2014 O&M Manual Review Completion Letter Line 800” and “2015 O&M Manual Review Completion Letter Line 800.” The PHMSA inspector requested the 2016 O&M manual annual review and TransCanada stated, “It was not conducted.”

In subsequent follow-ups to the inspection, TransCanada provided, “2016 OM Manual Letter”, dated 5/12/17. TransCanada stated, “I have attached the 2016 review letter which was not available at the time of the inspection.” The TransCanada 2016 OM Manual Letter was dated May 12, 2017, after the PHMSA inspection on April 24-28, 2017. TransCanada was also unable to provide additional records supporting the O&M Manual review out of their work management system upon request.

Therefore, TransCanada failed to conduct an annual review of its O&M manual for the 2016 calendar year, per the requirements of §195.402(a).

3. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

TransCanada failed to follow its manual of written procedures for conducting normal operations and maintenance activities. Specifically, TransCanada failed to document and maintain its monthly firefighting equipment inspections for calendar years 2015 and 2016, in accordance with its Plan 110.01.08 “Portable Fire Extinguishers Plan” (Procedure).

During the inspection, the PHMSA inspector reviewed TransCanada’s Procedure, versions dated 10/13/16, 12/23/15 and 10/1/15. Section 4.1 of all versions of the Procedure stated, “Each extinguisher must be visually inspected on a monthly basis and receive proper maintenance annually, in accordance with NFPA standards.” The Procedure – Documentation Requirements Section stated, “...Complete WO for fire extinguisher monthly inspection...” Additionally, the Procedure listed the following under Documentation Requirements, “Record/Form Name – Form 790-ST3-CSD and Work Management System – Complete WO for fire extinguisher monthly inspection.”

The PHMSA inspector requested records for firefighting equipment for 2015 and 2016. TransCanada provided “MLBV Fire Extinguisher Inspection – Document No. CFL-410-048” for the following months during these timeframes:

- August, 2015
- September, 2015
- October, 2015
- November, 2015
- December, 2015

These records documented the fire extinguisher monthly inspections on Columbia Midstream Company Form 410-CFL-048. This form is not referenced in TransCanada’s Procedure. During

the inspection, TransCanada stated, “The remaining fire extinguisher records are documented on the fire tags.”

The PHMSA inspector requested the work order and fire tag records required by the Procedure. TransCanada provided, “MLBV Fire Tags 2015 Line 800.” These records were a compilation of various fire extinguisher tags with unlabeled serial numbers which do not correspond, or include adequate data to the applicable mainline valve location firefighting equipment.

Therefore, TransCanada failed to follow its manual of written procedures for conducting normal operations and maintenance activities regarding fire extinguisher inspection documentation.

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 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, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. Please refer to **CPF 1-2017-6009W** 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.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

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