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

March 27, 2018

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

CPF 1-2018-1008W

Dear Mr. Broussard:

On January 12, 2018 a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) reviewed Operator Registry Notification F-20180112-18541 submitted by Columbia Gas Transmission, LLC, a subsidiary of TransCanada (TransCanada).

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

1. **§191.22 National Registry of Pipeline and LNG Operators**

   ...

   (c) Changes. Each operator of a gas pipeline, gas pipeline facility, underground natural gas storage facility, LNG plant, or LNG facility must notify PHMSA electronically through the National Registry of Pipeline, Underground Natural Gas Storage Facility, and LNG Operators at http://opsweb.phmsa.dot.gov of certain events.

   (1) An operator must notify PHMSA of any of the following events not later than 60 days before the event occurs:

(i) Construction or any planned rehabilitation, replacement, modification, upgrade, uprate, or update of a facility, other than a section of line pipe, that costs $10 million or more. If 60-day notice is not feasible because of an emergency, an operator must notify PHMSA as soon as practicable;

TransCanada failed to notify PHMSA of its construction or any planned rehabilitation, replacement, modification, upgrade, uprate, or update of a facility, other than a section of line pipe, that costs $10 million or more, as required by § 191.22.

On January 12, 2018, the PHMSA representative reviewed TransCanada's construction notification F-20180112-18541, dated January 12, 2018. Columbia submitted the "Type F" (construction or rehabilitation of gas or liquid facilities) notification electronically through the online National Registry of Pipeline and LNG Operators website.

TransCanada stated in the notification that the anticipated start date of field work activities was 01/04/2018. In follow-up to the notification, the PHMSA representative e-mailed TransCanada inquiring about the status of the construction project. TransCanada responded, "The attached document is the construction schedule for the loop line portion of ESU…" The Millennium Pipeline Company- Eastern System Upgrade Construction Schedule, dated 01/17/18 (Record) showed that construction activities began on 12/20/17. Additionally, TransCanada stated, "Since this project includes modifications and adding two compressor units with 22,400 HP at multi locations, the cost of the project is greater than $10M and I believe this project meets the reporting requirement of 191.22 (c)(1)(i)."

Accordingly, TransCanada did not submit this construction notification in a timely manner. TransCanada was required to submit this construction notification no later than 60 days before construction occurred; however, it was submitted on 01/12/18, which was 68 days late.

Therefore, TransCanada failed to comply with the construction notification requirement in § 191.22(c)(1)(i).

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. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed $200,000 per violation per day, with a maximum penalty not to exceed $2,000,000 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 1-2018-1008W** 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,

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