

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 21, 2011

Mr. Vern Meier
Vice President, Field Operations
ANR Pipeline Company
TransCanada US Pipeline
717 Texas Street, Suite 2400
Houston, TX 77002-2661

CPF 2-2011-1004W

Dear Mr. Meier:

On August 2-6, 23-27, and October 4-8, 2010, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) inspected your records in Greenville and Sardis, Mississippi, Brownsville and Cottage Grove, Tennessee, and Madisonville, Kentucky; and, your pipelines and facilities in Louisiana, Arkansas, Mississippi, Tennessee, and Kentucky, pursuant to Chapter 601 of 49 United States Code.

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

- 1. § 192.705 Transmission lines: Patrolling.**
(a) Each operator shall have a patrol program to observe surface conditions on and adjacent to the transmission line right-of-way for indications of leaks, construction activity, and other factors affecting safety and operation.

ANR Pipeline Company uses aerial patrolling to satisfy the patrol requirements, yet it failed to maintain its right-of-way (ROW) sufficiently to allow observation of surface conditions by aerial patrolling.

Areas of dense vegetation, excessive canopy overhang, right-of-way creep, and obscured pipeline markers were identified during the inspection. The identified conditions were present along the ROW downstream of the Interstate 55 crossing, at the mile post 422 pipeline exposure, upstream of the Tennessee River crossing, at aerial patrol marker 563, and downstream of Hamilton Ferry Road.

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 ANR Pipeline Company 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 2-2011-1004W**. 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,

Wayne T. Lemoi
Director, Office of Pipeline Safety
PHMSA Southern Region