

October 24, 2017

Mr. Russell Girling
President and CEO
TransCanada Corporation
450 1st St. SW
Calgary, Alberta, Canada T2P 5H1

Re: CPF No. 3-2016-1001

Dear Mr. Girling:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation, assesses a civil penalty of \$220,200, and specifies actions that need to be taken by ANR Pipeline Company, a wholly owned pipeline subsidiary of TransCanada Corporation, to comply with the pipeline safety regulations. The penalty payment terms are set forth in the Final Order. When the civil penalty has been paid and the terms of the compliance order completed, as determined by the Director, Central Region, this enforcement action will be closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Allan C. Beshore, Director, Central Region, Office of Pipeline Safety, PHMSA
Ms. Sonya Kirby, Vice President, Safety, Quality & Compliance, TransCanada
Corporation, 700 Louisiana, Suite 700, Houston, TX 77002

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)	
)	
ANR Pipeline Company,)	CPF No. 3-2016-1001
a subsidiary of TransCanada Corporation,)	
)	
Respondent.)	
)	

FINAL ORDER

On June 24-28, July 15-19, August 5-19, August 26-30, October 22-25, and December 2-6, 2013, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), the Ohio Public Utilities Commission, and the Iowa Utilities Board conducted an on-site pipeline safety inspection of the facilities and records of ANR Pipeline Company (ANR or Respondent) in Texas, Iowa, Missouri, Kansas, Ohio, Illinois, Indiana, and Wisconsin. The Michigan Public Service Commission (MI-PSC) also inspected ANR’s facilities in Michigan during several weeks in 2012. ANR’s system delivers natural gas from Louisiana, Texas, and Oklahoma to customers throughout the Midwest. It has approximately 10,600 miles of pipe and owns and operates four storage fields in Michigan with 64 billion cubic feet of capacity.¹

As a result of the inspection, the Director, Central Region, OPS (Director), issued to Respondent, by letter dated January 28, 2016, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice), which also included a warning pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that ANR had committed 10 violations of 49 C.F.R. Parts 191, 192, and 199, and proposed assessing a civil penalty of \$220,200 for the alleged violations. The Notice also proposed ordering Respondent to take certain measures to correct the alleged violations. The warning item required no further action, but warned the operator to correct the probable violation or face future potential enforcement action.

Respondent responded to the Notice by letters dated March 1, 2016 and June 20, 2016 (collectively, Response). ANR did not contest the allegations of violations, but presented information seeking modification of the proposed compliance order through a potential consent agreement; if were not possible, the company requested a hearing. By letter dated August 24, 2016, Respondent withdrew its request for a hearing and thereby authorized the entry of this

¹ Pipeline Safety Violation Report (Violation Report), (Jan. 28, 2016) (on file with PHMSA), at 1.

Final Order without further notice.

FINDINGS OF VIOLATION

In its Response, ANR did not contest the allegations in the Notice that it violated 49 C.F.R. Parts 191, 192, and 199, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 191.5, which states:

§ 191.5 Immediate notice of certain incidents.

(a) At the earliest practicable moment following discovery, each operator shall give notice in accordance with paragraph (b) of this section of each incident as defined in §191.3.

(b) Each notice required by paragraph (a) of this section must be made to the National Response Center either by telephone to 800-424- 8802 (in Washington, D.C., 202-267-2675) or electronically at <http://www.nrc.uscg.mil> and must include the following information:

- (1) Names of operator and person making report and their telephone numbers.
- (2) The location of the incident.
- (3) The time of the incident.
- (4) The number of fatalities and personal injuries, if any.
- (5) All other significant facts that are known by the operator that are relevant to the cause of the incident or extent of the damages.

The Notice also referenced 49 C.F.R. § 191.3, which states, in relevant part:

§ 191.3 Definitions.

....

Incident means any of the following events:

(1) An event that involves a release of gas from a pipeline, or of liquefied natural gas, liquefied petroleum gas, refrigerant gas, or gas from an LNG facility, and that results in one or more of the following consequences:

- (i) A death, or personal injury necessitating in-patient hospitalization;
- (ii) Estimated property damage of \$50,000 or more, including loss to the operator and others, or both, but excluding cost of gas lost;
- (iii) Unintentional estimated gas loss of three million cubic feet or more;

(2) An event that results in an emergency shutdown of an LNG facility. Activation of an emergency shutdown system for reasons other than an actual emergency does not constitute an incident.

(3) An event that is significant in the judgment of the operator, even though it did not meet the criteria of paragraphs (1) or (2) of this definition.

The Notice alleged that Respondent violated 49 C.F.R. § 191.5 by failing to notify the National Response Center (NRC) of a 2012 “incident,” as defined in § 191.3, that occurred at ANR’s

compressor station in Sandwich, Illinois. Specifically, the Notice alleged that on July 13, 2012, an incident occurred at the Sandwich compressor station, but the company made no notification to the NRC. The property damage, excluding cost of any gas lost, was over \$50,000.

The incident involved a release of natural gas from a valve in the pipeline system into the silencer on Compressor Unit 1009 and the resulting ignition of gas. The released gas ignited at the silencer resulted in an uncontrolled burn that damaged the silencer and exhaust piping, and the silencer fell over and damaged the compressor building as well. Despite this damage to its pipeline facility caused by a natural gas fire, ANR did not contact the NRC.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 191.5 by failing to give notice to the NRC of a 2012 incident that occurred at the ANR compressor station in Sandwich, Illinois.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 191.5, as quoted above, by failing to notify the NRC of another 2013 “incident,” as defined in § 191.3, that occurred at ANR’s compressor station in Sandwich, Illinois. Specifically, the Notice alleged that on August 9, 2013, at 13:30 MDT, ANR experienced a second reportable incident at the Sandwich compressor station where the company made no notification to the NRC. The property damage, excluding the cost of lost gas, was over \$50,000.

The incident involved a release of natural gas when gas leaked past pressure and wiper packing of the compressor unit during maintenance of the unit. After leaking past the compressor packing, the natural gas entered the crankcase of the compressor unit. The leak into the crankcase (which is not a part of the pipeline system that moves gas in transportation) resulted in the ignition and explosion of the gas, causing substantial damage to equipment and the compressor building. Despite the damage to its pipeline facility caused by a natural gas explosion, ANR failed to contact the NRC.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 191.5 by failing to give notice to the NRC of a 2013 incident that occurred at the ANR compressor station in Sandwich, Illinois.

Item 3: The Notice alleged that Respondent violated 49 C.F.R. § 191.15(a), which states:

§ 191.15 Transmission systems; gathering systems; and liquefied natural gas facilities; Incident report.

(a) *Transmission or Gathering.* Each operator of a transmission or a gathering pipeline system must submit DOT Form PHMSA F 7100.2 as soon as practicable but not more than 30 days after detection of an incident required to be reported under § 191.5 of this part.

The Notice alleged that Respondent violated 49 C.F.R. § 191.15(a) by failing to submit a written report, as soon as practicable but not more than 30 days after detection of an incident that was required to be reported under § 191.5. Specifically, the Notice alleged that ANR failed to submit

a written report to PHMSA as soon as practicable but not more than 30 days after detection of the 2012 incident described in Item 1 above and that was required to be reported under § 191.5.

Based on information provided by ANR during PHMSA's 2013 inspection, the costs of this incident totaled over \$200,000. According to ANR's root cause analysis report provided during that same inspection, natural gas released from a valve in the pipeline system into the engine and silencer creating a combustible mixture in the silencer that ignited and resulted in an uncontrolled burning of gas at the silencer.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 191.15(a) by failing to submit a written report to PHMSA as soon as practicable but not more than 30 days after detection of an incident that was required to be reported under § 191.5.

Item 4: The Notice alleged that Respondent violated 49 C.F.R. § 191.15(a), as quoted above, by failing to submit a written report to PHMSA as soon as practicable but not more than 30 days after detection of an incident that was required to be reported under § 191.5. Specifically, the Notice alleged that ANR failed to submit a written report to PHMSA as soon as practicable but not more than 30 days after detection of the 2013 incident described in Item 2 and that was required to be reported under § 191.5. According to the Notice, the damage was significant and the total cost of the incident was \$580,205.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 191.15(a) by failing to submit a written report to PHMSA as soon as practicable but not more than 30 days after detection of an incident that was required to be reported under § 191.5.

Item 5: The Notice alleged that Respondent violated 49 C.F.R. § 192.605(b)(8), which states in relevant part:

§ 192.605 Procedural manual for operations, maintenance, and emergencies.

(a) *General.* Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. . .

(b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations. . .

(8) Periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance and modifying the procedure when deficiencies are found.

The Notice alleged that Respondent violated 49 C.F.R. § 192.605(b)(8) by failing to follow its own manual of written procedures for conducting operations and maintenance activities. Specifically, it alleged that ANR failed to follow its written "walk-along" procedure throughout

the company to review the work done by its personnel to determine the effectiveness and adequacy of the procedures being used in normal operation and maintenance. According to the Notice, ANR was unable to provide sufficient records to the PHMSA inspectors demonstrating that the walk-along program was being used throughout the company. The MI-PSC inspections in 2012 also identified the same issue. ANR personnel indicated in 2012 and in 2013 that final procedures were still under development, but a form had been established and was being used during the interim period. ANR provided examples of the form that was being used in 2013 in Michigan and another one that was used in Wisconsin in 2011; however, there were no other records indicating that the walk-along program and forms were being used elsewhere on the ANR system.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.605(b)(8) by failing to follow its own manual of written procedures for conducting operations and maintenance activities.

Item 6: The Notice alleged that Respondent violated 49 C.F.R. § 192.603(b), which states:

§ 192.603 General provisions.

- (a) ...
- (b) Each operator shall keep records necessary to administer the procedures established under §192.605.

The Notice also referenced § 192.605, which states, in relevant part:

§ 192.605 Procedural manual for operations, maintenance, and emergencies.

- (a) *General.* Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response
- (c) *Abnormal operation.* For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:
 - (1) Responding to, investigating, and correcting the cause of:
 - (i) Unintended closure of valves or shutdowns;
 - (ii) Increase or decrease in pressure or flow rate outside normal operating limits;
 - (iii) Loss of communications;
 - (iv) Operation of any safety device; and
 - (v) Any other foreseeable malfunction of a component, deviation from normal operation, or personnel error, which may result in a hazard to persons or property. . . .

The Notice alleged that Respondent violated 49 C.F.R. § 192.603(b) by failing to keep records to administer the procedures it had established under § 192.605. Specifically, it alleged that ANR failed to document the follow-up investigation of multiple abnormal operations that occurred on its pipeline system. A review of the company's *Incident and Issue Tracking (IIT)* database

showed several instances when documentation of further investigation and corrective measures had not occurred. Specifically, the Notice alleged that IIT #237072 was for a leak of lube oil from a broken pressure gauge and IIT #255422 involved a pressure increase outside normal limits at ANR's Rapid River Compressor Station. The IIT entries indicated that procedures were not completely effective in responding to the abnormal operations; however, no further documentation was provided to show what corrections, if any, had been made.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.603(b) by failing to keep records to administer the procedures it had established under § 192.605.

Item 7: The Notice alleged that Respondent violated 49 C.F.R. § 192.625(a-b), which states, in relevant part:

§ 192.625 Odorization of gas.

(a) A combustible gas in a distribution line must contain a natural odorant or be odorized so that at a concentration in air of one-fifth of the lower explosive limit, the gas is readily detectable by a person with a normal sense of smell.

(b) After December 31, 1976, a combustible gas in a transmission line in a Class 3 or Class 4 location must comply with the requirements of paragraph (a) of this section . . .

The Notice alleged that Respondent violated 49 C.F.R. § 192.625(a-b) by failing to odorize combustible gas in its transmission pipeline facilities in Wisconsin so that at a concentration in air of one-fifth of the lower explosive limit, the gas was readily detectable by a person with a normal sense of smell. Specifically, the Notice alleged that for ANR's odorized transmission-line facilities in Wisconsin, the company's records did not demonstrate that the gas was odorized to the proper concentration level.

According to the Notice, PHMSA's review of the odorization records identified multiple locations where the readings taken did not meet the one-fifth gas-in-air (0.9%) of the lower explosive limit of natural gas (4.5% gas-in-air). On the Green Bay 350 line, the percent gas-in-air readings taken from November 2012 to July 2013 ranged from 1.06% to 1.29%. On the Green Bay 350-1 line, the readings taken from January 2013 to July 2013 varied from 1.11% to 1.28%, and on the Green Bay 350-2 line, the readings ranged from 0.93% to 1.29% during the same time period. Finally, on the Oshkosh 1-355 line, the readings were all above 0.9% from May 2013 to September 2013.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.625(a) by failing to odorize the natural gas in its transmission facilities in Wisconsin so that at a concentration in air of one-fifth of the lower explosive limit, the gas was readily detectable by a person with a normal sense of smell.

Item 8: The Notice alleged that Respondent violated 49 C.F.R. § 192.479(a), which states:

§ 192.479 Atmospheric corrosion control: General.

(a) Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

The Notice alleged that Respondent violated 49 C.F.R. § 192.479(a) by failing to clean and coat a pipeline at the pipe supports where it was exposed to the atmosphere. Specifically, the Notice alleged that at the Milan Tap and Meter Station in Michigan, ANR failed to clean and coat the pipeline at the pipe supports where it was exposed to the atmosphere. The MI-PSC field evaluation found atmospheric corrosion at these supports.

The pipeline supports could not be lowered so ANR can properly inspect and address the pipe on the supports. As a result, actual metal loss from atmospheric corrosion was noted during MI-PSC's field inspection.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.479(a) by failing to clean and coat a pipeline at the pipe supports where it was exposed to the atmosphere.

Item 10: The Notice alleged that Respondent violated 49 C.F.R. § 199.105(b), which states in relevant part:

§ 199.105 Drug tests required.

Each operator shall conduct the following drug tests for the presence of a prohibited drug:

(a) . . .

(b) *Post-accident testing.* As soon as possible but no later than 32 hours after an accident, an operator shall drug test each employee whose performance either contributed to the accident or cannot be completely discounted as a contributing factor to the accident. An operator may decide not to test under this paragraph but such a decision must be based on the best information available immediately after the accident that the employee's performance could not have contributed to the accident or that, because of the time between that performance and the accident, it is not likely that a drug test would reveal whether the performance was affected by drug use.

The Notice alleged that Respondent violated 49 C.F.R. § 199.105(b) by failing to administer post-accident drug tests to three employees involved in the August 2013 crankcase-explosion incident that occurred at the ANR compressor station in Sandwich, Illinois. Specifically, the Notice alleged that on August 9, 2013, at 13:30 MDT, compressor unit #1009 in Sandwich, Illinois, experienced an explosion of natural gas in the crankcase that resulted in significant damage to the compressor unit and building. As mentioned above in Item 4, during maintenance of the compressor unit, a torch was utilized by an ANR employee to remove a seal. The Notice alleged that, based on the best information available immediately after the incident, it was not reasonable for the operator to make the decision that the employees' performance could be completely discounted as a contributing factor. In fact, ANR's subsequent root-cause analysis

confirmed that employee performance during the maintenance activity contributed to the incident.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 199.105(b) by failing to administer post-accident drug tests to three employees involved in the August 2013 crankcase-explosion incident that occurred at the company's compressor station in Sandwich, Illinois.

Item 11: The Notice alleged that Respondent violated 49 C.F.R. § 199.225(a)(1), which states in relevant part:

§ 199.225 Alcohol tests required.

Each operator shall conduct the following types of alcohol tests for the presence of alcohol:

(a) *Post-accident.* (1) As soon as practicable following an accident, each operator shall test each surviving covered employee for alcohol if that employee's performance of a covered function either contributed to the accident or cannot be completely discounted as a contributing factor to the accident. The decision not to administer a test under this section shall be based on the operator's determination, using the best available information at the time of the determination, that the covered employee's performance could not have contributed to the accident.

The Notice alleged that Respondent violated 49 C.F.R. § 199.225(a)(1) by failing to administer post-accident alcohol tests to three employees involved in the August 2013 crankcase-explosion incident that occurred at the ANR compressor station in Sandwich, Illinois. Specifically, the Notice alleged that on August 9, 2013, at 13:30 MDT, compressor unit #1009 in Sandwich, Illinois, experienced an explosion of natural gas in the crankcase that resulted in obviously significant damage to the compressor unit and building. The Notice alleged that during maintenance of the compressor unit, a torch had been utilized by an ANR employee to remove a seal. According to the Notice, based on the best information available immediately after the incident, it was not reasonable for the operator to make the decision that the employees' performance could be completely discounted as a contributing factor. In fact, ANR's subsequent root-cause analysis confirmed that employee performance during the maintenance activity contributed to the incident.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 199.225(a)(1) by failing to administer post-accident alcohol tests to three employees involved in the August 2013 crankcase-explosion incident that occurred at the compressor station in Sandwich, Illinois.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.² In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require. The Notice proposed a total civil penalty of \$220,200 for the violations cited above.

Item 1: The Notice proposed a civil penalty of \$47,500 for Respondent's violation of 49 C.F.R. § 191.5, for failing to notify the NRC of a 2012 incident that occurred at the ANR compressor station in Sandwich, Illinois. ANR neither contested the allegation nor presented any evidence or argument justifying elimination or reduction of the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$47,500 for violation of 49 C.F.R. § 191.5.

Item 2: The Notice proposed a civil penalty of \$47,500 for Respondent's violation of 49 C.F.R. § 191.5, for failing to notify the NRC of a 2013 incident that occurred at the ANR compressor station in Sandwich, Illinois. ANR neither contested the allegation nor presented any evidence or argument justifying elimination or reduction of the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$47,500 for violation of 49 C.F.R. § 191.5.

Item 3: The Notice proposed a civil penalty of \$40,300 for Respondent's violation of 49 C.F.R. § 191.15(a), for failing to submit a written report, as soon as practicable but not more than 30 days, after detection of an incident that was required to be reported under § 191.5. ANR neither contested the allegation nor presented any evidence or argument justifying elimination or reduction of the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$40,300 for violation of 49 C.F.R. § 191.15(a).

Item 4: The Notice proposed a civil penalty of \$40,300 for Respondent's violation of 49 C.F.R. § 191.15(a), for failing to submit a written report, as soon as practicable but not more than 30 days, after detection of an incident that was required to be reported under § 191.5. ANR neither contested the allegation nor presented any evidence or argument justifying elimination or reduction of the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$40,300 for violation of 49 C.F.R. § 191.15(a).

² These amounts are adjusted annually for inflation. *See, e.g.*, Pipeline Safety: Inflation Adjustment of Maximum Civil Penalties, 82 Fed. Reg. 19325 (April 27, 2017).

Item 10: The Notice proposed a civil penalty of \$22,300 for Respondent's violation of 49 C.F.R. § 199.105(b), for failing to administer post-accident drug tests to three employees involved in the August 2013 crankcase-explosion incident that occurred at the compressor station in Sandwich, Illinois. ANR neither contested the allegation nor presented any evidence or argument justifying elimination or reduction of the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$22,300 for violation of 49 C.F.R. § 199.105(b).

Item 11: The Notice proposed a civil penalty of \$22,300 for Respondent's violation of 49 C.F.R. § 199.225(a)(1), for failing to administer post-accident alcohol tests to three employees involved in the August 2013 crankcase-explosion incident that occurred at the compressor station in Sandwich, Illinois. ANR neither contested the allegation nor presented any evidence or argument justifying elimination or reduction of the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$22,300 for violation of 49 C.F.R. § 199.225(a)(1).

In summary, having reviewed the record and considered the assessment criteria for each of the Items cited above, I assess Respondent a total civil penalty of **\$220,200**.

Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 C.F.R. § 89.21(b)(3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMK-325), Federal Aviation Administration, 6500 S MacArthur Blvd., Oklahoma City, Oklahoma 79169. The Financial Operations Division telephone number is (405) 954-8845.

Failure to pay the \$220,200 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 3, 4, 5, 6, 7, and 8 in the Notice for violations of 49 C.F.R. Parts 191 and 192. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director has indicated that Respondent has taken the following actions to address some of the cited violations:

1. With respect to the violation of § 191.15(a) (**Items 3 and 4**), Respondent submitted the required 30-day written reports for the incidents that occurred on

July 13, 2012, and August 9, 2013. OPS Central Region staff reviewed the two reports [Nos. 20160051 & 20160052], and the reports are now final in the Online Data Entry System (ODES) database, with no further action required.

2. With respect to the violation of § 191.15(a) (**Items 3 and 4**), Respondent developed a plan to review all sources of data, including, but not limited to: ANR's IIT database, root-cause analysis reports, unaccounted-for gas reports, leak databases, etc., and submitted required original and supplemental incident reports through ODES. Since the date of the Notice, ANR also reviewed events occurring on the ANR pipeline system between January 1, 2010, and May 31, 2016, and determined that no other events required additional reporting under §§ 191.5 and 191.15. ANR submitted a listing of the 233 events in the June 2016 response. With the submission of such information, ANR has satisfied the terms of the proposed compliance order for these items.
3. With respect to the violation of § 192.603(b) (**Item 6**), Respondent reviewed the database for abnormal operations that occurred on or after May 19, 2009, through May 31, 2016. The review found 460 abnormal-operation records for the ANR pipeline system. Of the 460 abnormal operations reviewed, 59 records had documented the corrective measures. Review of the 59 records found deficiencies for five records within the IIT database and two records within the Systems Applications Products database. These deficient records were updated to include proper documentation and pertinent information. ANR submitted the list of seven abnormal operations that required further documentation in its June 2016 response. ANR has therefore completed the proposed item and satisfied the terms of the proposed compliance order for this item.
4. With respect to the violation of § 192.625 (**Item 7**), Respondent re-trained personnel taking odorant readings and completed the training on May 4, 2016. It submitted a copy of the training records to the Director with its June 2016 response. ANR has therefore completed the proposed item and satisfied the terms of the proposed compliance order for this item.

Accordingly, I find that compliance has been achieved with respect to these violations. Therefore, the compliance terms proposed in the Notice for Items 3, 4, 6 and 7 are not included in this Order.

As for the remaining compliance terms, pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 192.605 (**Item 5**), Respondent must provide a detailed written procedure to address the periodic review of work done to determine the effectiveness of its operations and maintenance procedures. The procedure must encompass all aspects of the outline provided by ANR in its June 2016 response, with emphasis on how the review of the work will be accomplished

and thoroughly describe how the program will be documented. Respondent must submit the written program to the Director within 90 days of the issuance of the Final Order, implement the revised procedure within 180 days of the Final Order, and provide semi-annual reports to the Director on the results of the revised program for a period of one year from the implementation date.

2. With respect to the violation of § 192.479(a) (**Item 8**), Respondent must conduct an atmospheric-corrosion inspection of all meter stations in the Michigan operating area that have similar pipe supports, and submit a remedial action plan with a schedule and listing of facilities still requiring remediation to the Director for approval no later than 120 days after issuance of the Final Order.

All required written submissions shall be sent to the attention of the Director, Central Region, Office of Pipeline Safety, 901 Locust Street, Room 462, Kansas City, MO 64106.

It is requested (not mandated) that ANR Pipeline Company maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director, Central Region, Office of Pipeline Safety, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses; and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in administrative assessment of civil penalties not to exceed \$200,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

WARNING ITEM

With respect to Item 9, the Notice alleged a probable violation of § 192.736 but did not propose a civil penalty or compliance order for this item. Therefore, this is considered to be a warning item. The warning was for:

49 C.F.R. § 192.736(c) (**Item 9**) — Respondent's alleged failure to maintain the gas detectors at the Bridgeman Compressor Station for units 1206 to 1209.

ANR presented information in its Response showing that it had taken certain actions to address the cited item. If OPS finds a violation of this provision in a subsequent inspection, Respondent may be subject to future enforcement action.

Under 49 C.F.R. § 190.243, Respondent has a right to submit a Petition for Reconsideration of this Final Order. The petition must be sent to: Associate Administrator, Office of Pipeline

Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. PHMSA will accept petitions received no later than 20 days after receipt of service of this Final Order by the Respondent, provided they contain a brief statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The filing of a petition automatically stays the payment of any civil penalty assessed. Unless the Associate Administrator, upon request, grants a stay, all other terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

October 24, 2017

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued