

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 16, 2017

Mr. Stanley Chapman
Senior Vice President and General Manager
ANR Pipeline Company / TransCanada
700 Louisiana Street
Houston, TX 77002

CPF 3-2017-1003M

Dear Mr. Chapman:

Between July 20, 2015 and December 4, 2015, representatives of the Michigan Public Service Commission (MI-PSC) acting as an interstate agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS) pursuant to Chapter 601 of 49 United States Code inspected ANR Pipeline Company's procedures for integrity management in Troy, Michigan.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within ANR Pipeline Company's plans or procedures, as described below:

1. §192.911 What are the elements of an integrity management program?

An operator's initial integrity management program begins with a framework (see § 192.907) and evolves into a more detailed and comprehensive integrity management program, as information is gained and incorporated into the program. An operator must make continual improvements to its program. The initial program framework and subsequent program must, at minimum, contain the following elements. (When indicated, refer to ASME/ANSI B31.8S (incorporated by reference, see § 192.7) for more detailed information on the listed element.)

(d) A direct assessment plan, if applicable, meeting the requirements of § 192.923, and depending on the threat assessed, of § § 192.925, 192.927, or 192.929.

§192.929 What are the requirements for using Direct Assessment for Stress Corrosion Cracking (SCCDA)?

(b) General requirements. An operator using direct assessment as an integrity assessment method to address stress corrosion cracking in a covered pipeline segment must have a plan that provides, at minimum, for--

(2) Assessment method. The plan must provide that if conditions for SCC are identified in a covered segment, an operator must assess the covered segment using an integrity assessment method specified in ASME/ ANSI B31.8S, appendix A3, and remediate the threat in accordance with ASME/ANSI B31.8S, appendix A3, section A3.4.

ANR Pipeline Company's (ANR) procedure for SCCDA was inadequate because it did not include a requirement for an instrumented leak survey upon return to service after completing a hydrostatic test. ASME B.318S Section A-3.4.2(c), incorporated by reference, requires an instrumented leak survey.

2. §192.911 (See Above)

(e) Provisions meeting the requirements of § 192.933 for remediating conditions found during an integrity assessment.

§192.933 What actions must be taken to address integrity issues?

(d) Special requirements for scheduling remediation. -

(1) Immediate repair conditions. An operator's evaluation and remediation schedule must follow ASME/ANSI B31.8S, section 7 in providing for immediate repair conditions. To maintain safety, an operator must temporarily reduce operating pressure in accordance with paragraph (a) of this section or shut down the pipeline until the operator completes the repair of these conditions. An operator must treat the following conditions as immediate repair conditions:

(ii) A dent that has any indication of metal loss, cracking or a stress riser.

ANR's procedure TEP-INT-ILI Table 6.2 was inadequate because it did not specify that any metal loss indication affecting long seams formed by direct or low-frequency ERW or by electric flash welding (flash weld) are to be considered immediate repair conditions. The procedure shows that only metal loss indications greater than 20% deep in those type of pipe seams is to be considered an immediate repair condition. Therefore, ANR's procedure did not follow ASME B.318S section 7.2.1 that is incorporated by reference.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 90 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that ANR Pipeline Company maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Allan C. Beshore, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2017-1003M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Allan C. Beshore
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Enforcement Proceedings*