



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

MAY 03 2019

1200 New Jersey Avenue SE
Washington DC 20590

Mr. Russell K. Girling
President and Chief Executive Officer
TransCanada Corporation
450 1st Street SW
Calgary, Alberta, Canada T2P 5H1

Re: CPF No. 5-2018-1006

Dear Mr. Girling:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and specifies actions that need to be taken by your subsidiary, Columbia Pipeline Group, Inc., to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Western Region, this enforcement action will be closed. Service of the Final Order by certified mail is effective upon the date of mailing, as 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. Chris Hoidal, Acting Director, Western Region, Office of Pipeline Safety, PHMSA
Mr. Lee Romack, Manager, U.S. Regulatory Compliance, TransCanada Corporation, 700
Louisiana Street, Suite 700, Houston, Texas 77382

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.605(b)(8), which states:

§ 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. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

(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.

(1) ...

(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 procedures when deficiencies are found.

The Notice alleged that Respondent violated 49 C.F.R. § 192.605(b)(8) by failing to periodically review the work done by its personnel to determine the effectiveness and adequacy of TransCanada's procedures used in normal operation and maintenance (O&M) and modifying the procedures when deficiencies are found. Specifically, the Notice alleged that TransCanada was unable to provide records of periodically reviewing work done by its personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance.

TransCanada did not contest this allegation of violation, but contended that a revised O&M procedure, submitted in response to a prior PHMSA case (Final Order CPF 3-2016-1001),³ should fulfill the requirements of this Item. Accordingly, based upon a review of all the evidence, I find that Respondent violated 49 C.F.R. § 192.605(b)(8) by failing to periodically review the work done by its personnel to determine the effectiveness and adequacy of TransCanada's procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 192.616(a), which states:

§ 192.616 Public awareness.

(a) Except for an operator of a master meter or petroleum gas system covered under paragraph (j) of this section, each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, *see* § 192.7).

³ The Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order was issued in CPF No. 3-2016-1001 to a different subsidiary of TransCanada Corporation, ANR Pipeline Company, on January 28, 2016.

The Notice alleged that Respondent violated 49 C.F.R. § 192.616(a) by failing to implement its written continuing public education program that follows the guidance provided in API RP 1162. Specifically, the Notice alleged that TransCanada could not provide records to show it had reached out to educate the public, appropriate government organizations, and persons engaged in excavation activities, about the company's public awareness program, as set forth in § 192.616(d)(1)-(5).⁴

Respondent did not contest this allegation of violation, but provided an overview of its 2018 Public Awareness program for the Carter Creek facilities and noted its use of Bureau of Land Management Field Office databases to identify stakeholders. Accordingly, based upon a review of all the evidence, I find that Respondent violated 49 C.F.R. § 192.616(a) by failing to implement its written continuing public education program that follows the guidance provided in API RP 1162.

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

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 1 and 2 in the Notice for violations of 49 C.F.R. §§ 192.605(b)(8) and 192.616(a), respectively. 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.

With respect to the violation of § 192.605(b)(8) (Item 1), Respondent submitted revised O&M procedures that have been reviewed by the Director, who has recommended that the revised procedures satisfy the terms of the proposed compliance order. Therefore, the terms of the compliance order associated with Item 1 are not included herein.

With respect to the violation of § 192.616(a) (Item 2), Respondent submitted an overview of its 2018 Public Awareness program for the Carter Creek facilities, but had not submitted documentation to the Western Region showing that the information had been delivered to the affected public in time for the Region to review those materials prior to the issuance of this Final Order. Therefore, pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217,

⁴ 49 C.F.R. § 192.616(d) states:

“(d) The operator’s program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:

- (1) Use of a one-call notification system prior to excavation and other damage prevention activities;
- (2) Possible hazards associated with unintended releases from a gas pipeline facility;
- (3) Physical indications that such a release may have occurred;
- (4) Steps that should be taken for public safety in the event of a gas pipeline release; and
- (5) Procedures for reporting such an event.”

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 § 192.616(a) (**Item 2**), Respondent must deliver mailers to the affected public in 2018 that cover the provisions set forth in § 192.616(d) and submit a copy to the Western Region within 90 days of issuance of this Order.

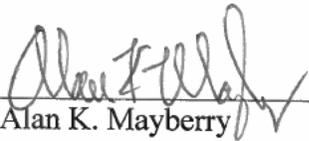
TransCanada submitted the requested documentation for this Item by letter dated October 3, 2018. Upon his determination that this Item has been satisfactorily completed, the Director will provide written notification to the Respondent and close the case.

It is also requested that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. 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.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), 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.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the 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, no later than 20 days after receipt of service of this Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.



Alan K. Mayberry
Associate Administrator
for Pipeline Safety

MAY 03 2019

Date Issued