

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 12, 2019

Ms. Sonya Kirby
Vice President, Safety, Quality & Compliance
North Baja Pipeline, LLC
PO Box 1000
Station M
Calgary AB Canada
T2P 4K5

CPF 5-2019-1008W

Dear Mr. Chapman:

From May 14 through 20, 2018, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), and the State of Arizona's Corporation Commission, pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected North Baja Pipeline, LLC's (North Baja) natural gas transmission pipeline system near Yuma, Arizona. We also reviewed your operation, maintenance and emergency response procedures and supporting records at your Spokane office from April 16 through 20, 2018, and again from September 4 through 6, 2018.

Based on our inspection findings, PHMSA determined that North Baja committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The deficiencies noted and the probable violations are:

1. §192.807 Recordkeeping.

Each operator shall maintain records that demonstrate compliance with this subpart.

(a) Qualification records shall include:

- (1) Identification of qualified individual(s);**
- (2) Identification of the covered tasks the individual is qualified to perform; and**
- (3) Date(s) of current qualification; and**
- (4) Qualification methods.**

(b) Records supporting an individual's current qualification shall be maintained while the individual is performing the covered task. Records of prior qualification and records of individuals no longer performing covered tasks shall be retained for a period of five years.

Available records did not indicate the company personnel who performed corrosion control work maintained qualification as required by §192.807. Although the individuals stated that they remembered being qualified through the OQ program, documentation could not be located.

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 North Baja 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 5-2019-1008W**. 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,

Chris Hoidal
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 J. Stahoviak (#159064)
Arizona Corporation Commission