

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

OVERNIGHT EXPRESS DELIVERY

August 26, 2024

Ms. Tina Faraca
President and Chief Executive Officer
ANR Pipeline Company
a subsidiary of TC Energy Corporation
700 Louisiana Street
Houston, Texas 77002

CPF 1-2024-018-NOPV

Dear Ms. Faraca:

From April 21, 2023 to November 16, 2023, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), and inspectors from the Iowa Utilities Board, acting as agents of PHMSA, pursuant to Chapter 601 of 49 United States Code (U.S.C.) conducted an integrated inspection of ANR Pipeline Company's (ANR) gas transmission facilities within PHMSA inspection system TC_ANR_Southwest¹.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

- 1. § 192.605 Procedural manual for operations, maintenance, and emergencies.**

¹ The TC_ANR_Southwest inspection system consists of various pipeline facilities operated by ANR within the states of Mississippi, Kansas, Oklahoma, Nebraska, Texas and Iowa.

(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.

ANR failed to follow its manual of written procedures for conducting operations and maintenance activities. Specifically, ANR failed to tighten or use properly sized nuts and/or bolts to ensure complete engagement with flange nuts as required by ANR's specifications, at the following eight sites: Lamoni Meter Station (Decatur Co, Iowa.); Allerton Meter Station (Wayne Co., Iowa.); Bloomfield Meter Station (Davis Co., Iowa); Valve site 38 (Van Buren Co., Iowa); Selma Meter Station (Van Buren Co., Iowa); Winfield Meter Station (Henry Co., Iowa); Morning Sun Meter Station (Louisa Co., Iowa); and Fort Madison Meter Station (Lee Co., Iowa).

During the October 16-20, 2023, field inspection, a PHMSA representative observed numerous instances of stud bolts that were installed on flange assemblies that failed to extend a minimum of one to three threads past the nut on each side of the flange (for torque equipment), or 1.5 times the diameter of the stud bolts past the nut (bolt tensioning equipment) on the working side of the flange, as required by *TransCanada Engineering Specification Flange Bolt Tightening Specification* (CAN-US-MEX) (EDMS No.: 006489784, Rev: 08 Effective Date: 2021-Jan-07), Sections 3.6.1 and 3.6.3. This procedure applies to the tightening of both new and existing flange bolts in its system and requires the technician (Section 3.6.2) to verify equipment size and to ensure the correct stud length is being used prior to tightening the bolts.

Therefore, ANR failed to follow its manual of written procedures by not ensuring stud bolts extend a minimum of one to three threads past the nut on each side of the flange, or 1.5 times the diameter of the stud bolts past the nut on the working side of the flange in eight documented instances.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the

maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to propose a civil penalty assessment at this time.

Proposed Compliance Order

With respect to Item 1, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to ANR Pipeline Co. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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 your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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 a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 1-2024-018-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Robert Burrough
Director, Eastern Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to ANR Pipeline Company (ANR) a Compliance Order incorporating the following remedial requirements to ensure the compliance of ANR with the pipeline safety regulations:

- A. In regard to Item 1 of the Notice pertaining to ANR failing to follow its manual of written procedures for conducting operations and maintenance activities, ANR must correct the discrepancies found at the eight locations where the stud bolts did not fully engage with flange nuts meeting the requirements of ANR's flange bolt tightening specifications within **270** days of receipt of the Final Order.
- B. It is requested (not mandated) that ANR Pipeline Co maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Robert Burrough, Director, Eastern Region, 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.