

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

OVERNIGHT EXPRESS DELIVERY

August 6, 2024

Ms. Tina Faraca
Executive Vice-President and President
U.S. Natural Gas Pipelines
Crossroads Pipeline Company
a subsidiary of TC Energy Corporation
700 Louisiana Street
Houston, Texas 77002

CPF 1-2024-045-NOPV

Dear Ms. Faraca:

From May 15 to December 19, 2023, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), and the Public Utilities Commission of Ohio (PUCO), pursuant to Chapter 601 of 49 United States Code (U.S.C.) conducted an Integrated Inspection of the Crossroads Pipeline Company (Crossroads), a subsidiary of TC Energy Corporation, in Indiana and Ohio. During this inspection, PHMSA and PUCO inspected TC Energy Corporation's procedures, records, and made on-site observations

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

1. § 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.

Crossroads failed to follow its manual of written procedures for conducting operations and maintenance activities. Specifically, Crossroads failed to follow its manual of written procedures by not ensuring stud bolts extend a minimum of one to three threads past the nuts 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 nine documented instances.

Crossroads' *TC Flange Bolt Tightening Procedures, Rev. 8*, published January 7, 2021, *Section 3.6* (Flange Bolt Tightening Procedures) required that stud bolts that are installed when using torque equipment (Section 3.6.1) on flange assemblies 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 when using bolt tensioning equipment (Section 3.6.3).

During the inspection, PHMSA inspectors observed stud bolts installed that failed to extend a minimum of one thread past the nut on each side of the flange at Valve Sites 13, 14, 16, 17, 19, 25, 29, 31, and at the Schererville Compressor Station.

Therefore, Crossroads failed to follow its manual of written procedures by not ensuring stud bolts extend a minimum of one to three threads past the nuts 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 nine documented instances.

2. § 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.

Crossroads failed to follow its manual of written procedures for conducting operations and maintenance activities. Specifically, Crossroads failed to follow its procedures by not testing its fixed gas detection in Schererville Compressor Station on the pipeline since 2018, exceeding the time frame of 15 months required by § 192.605(a).

During the inspection, Crossroads stated that there is no gas present in the Schererville Compressor Station building and that due to lack of need, the station has been blown down for over 13 years. Suction and discharge valves were confirmed closed with valve body bleeds vented. However, records do not indicate that the compressor station has been abandoned per applicable aspects of

49 C.F.R. § 192.727; therefore, the facility is considered an active pipeline facility. Crossroads' *Compressor Station Gas Detection Procedures, Rev. 31*, published May 1, 2023, *Section 192.736* (Gas Detection Procedure) requires the testing of each gas detector head annually, not to exceed 15 months. Crossroads further stated that there has been no fixed gas detection test conducted for Schererville Compressor Station since 2018. Crossroads subsequently tested the fixed gas detector on September 6, 2023.

Therefore, Crossroads failed to follow its manual of written procedures regarding the testing of fixed gas detection at compressor stations as required by § 192.605(a).

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 Crossroads. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Item

With respect to Item 2, 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 promptly correct this item. Failure to do so may result in additional enforcement action.

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 1-2024-045-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 Crossroads Pipeline Company (Crossroads) a Compliance Order incorporating the following remedial requirements to ensure compliance of with the pipeline safety regulations:

- A. In regard to Item 1 of the Notice pertaining to Crossroads' failure to follow its TC Energy Flange Bolt Tightening Procedures, Crossroads must adjust or replace stud bolts that were improperly installed with stud bolts that meet the requirements of the relevant procedure within **270** days of receipt of the Final Order.
- B. It is requested (not mandated) that Crossroads 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.