

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

VIA ELECTRONIC MAIL TO: tina.faraca@tcenergy.com

July 5, 2024

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

CPF 1-2024-051-NOPV

Dear Ms. Faraca:

From January 30 to January 31, 2024, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected ANR Pipeline Co.'s (ANR) construction records in Delhi, Louisiana, as part of the construction project inspected at ANR's Delhi Compressor Station.

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. § 192.303 Compliance with specifications or standards.

Each transmission line or main must be constructed in accordance with comprehensive written specifications or standards that are consistent with this part.

ANR failed to construct its pipeline in accordance with the requirements and standards of Subpart G of 49 CFR Part 192. Specifically, ANR failed to install valves adequately meeting the minimum requirements of the American Petroleum Institute (API), Specification ANSI/API 6D, as required by § 192.145(a) and incorporated by reference in § 192.7(b)(8).

During the inspection, PHMSA reviewed the Certificate of Tests and Compliance provided for a recently installed Cameron 36-in (NPS 36/ DN900) Ball Valve, with Part #CAM-BV and Serial #121939829-1, dated 03/2023. This included a statement certifying in part that the valve was in full conformance with API Specification 6D *25th edition* [emphasis added] and all addenda as of date of manufacture; however, § 192.7(b)(8) incorporates by reference ANSI/API Specification 6D, “Specification for Pipeline Valves,” the 23rd edition, not the 25th edition of API 6D. PHMSA then requested written ANR procedures that required valves to meet the minimum requirements of the API Specification 6D, as required by § 192.145(a) and incorporated by reference in § 192.7(b)(8), however, ANR’s provided specification, TES-MA-VALV-G Steel Valves for Gas Service Specification, Rev. 02, dated 2022-Dec-01, failed to reference the correct edition of the API Specification 6D as required by § 192.145(a). PHMSA also requested written engineering justification as to how the 25th edition of the API Specification 6D met the requirements of the edition incorporated by reference in § 192.7(b)(8), however, ANR was unable to furnish such justification.

Furthermore, PHMSA requested records that may demonstrate compliance with the requirements of the ANSI/API Specification 6D, “Specification for Pipeline Valves,” 23rd edition that may have been utilized when the valve was installed; however, ANR failed to provide such records, but instead submitted the draft COMMENTARY: TES-MA-VALV-G Steel Valves for Gas Service that was not yet approved for ANR’s internal use and lacked sufficient details to address the deficiency found during the inspection.

Therefore, ANR failed to construct its pipeline and install valves to adequately meet the minimum requirements in compliance with § 192.303 as it relates to § 192.145(a) and § 192.7(b)(8).

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 Company. 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 1-2024-051-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's failure to construct its pipeline in accordance with the requirements of Subpart G of 49 CFR Part 192, ANR Pipeline Company must replace the 36-in Ball Valve, Part #CAM-BV, Serial #121939829-1, for a valve meeting the requirements of ANSI/API Specification 6D, as required by § 192.145(a) and incorporated by reference in § 192.7(b)(8); or, if pertinent to the case, provide a comprehensive and approved engineering justification as to how the 25th edition of the API Specification 6D meets the requirements of the edition incorporated by reference in § 192.7(b)(8) within **30** days of receipt of the Final Order.
- B. It is requested (not mandated) that ANR Pipeline Company 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.