



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

233 Peachtree Street Ste. 600
Atlanta, GA 30303

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 11, 2008

Mr. Vern Meier
Vice President, Field Operations
ANR Pipeline Company
TransCanada US Pipeline Central
717 Texas Street, Suite 2400
Houston, Texas 77002-2661

CPF 2-2008-1005W

Dear Mr. Vern Meier:

On October 22 - 26 and 29 - 31, 2007, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your records in Greenville and Sardis, Mississippi; Brownsville and Cottage Grove, Tennessee, and Madisonville, Kentucky; and your pipelines and facilities in Arkansas, Kentucky, Louisiana, Mississippi, and Tennessee.

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

1. **§192.731 Compressor stations: Inspection and testing of relief devices.**
(a) Except for rupture discs, each pressure relieving device in a compressor station must be inspected and tested in accordance with §§192.739 and 192.743, and must be operated periodically to determine that it opens at the correct set pressure.

§192.739 Pressure limiting and regulating stations: Inspection and testing.
(a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is

The Sardis Station Auxiliary Building Fuel Gas relief valve inspection interval exceeded 15 months by 8 days between 2006 and 2007 (8/22/2007 and 5/14/2006).

The inspection records for the inspection of the Sardis Station Auxiliary Building Fuel Gas relief valve show that the 2006 inspection took place on 5/14/2006 and the 2007 inspection took place on 8/21/2007.

2. §192.731 Compressor stations: Inspection and testing of relief devices.

(c) Each remote control shutdown device must be inspected and tested at intervals not exceeding 15 months, but at least once each calendar year, to determine that it functions properly.

The Sardis Station B Building High Discharge Pressure Shutdown switch inspection interval exceeded 15 months by 11 days for units 406 and 407 from 2006 to 2007 (5/10/2006 and 8/21/2007).

The inspection records for the inspection of Sardis Station B Building High Discharge Pressure Shutdown switches for units 406 and 407 show the 2006 inspection taking place on 5/10/2006 and the 2007 inspection taking place on 8/21/2007.

3. §192.745 Valve maintenance: Transmission lines.

(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15-months, but at least once each calendar year.

a. At Sardis Station, ANR does not inspect a valve which would isolate the Panola County Meter Station from 30" Loop Line 1-501 in the event of an emergency.

ANR's valve inspection records do not show the inspection of a valve that would isolate the Panola County Meter Station during an emergency. The procedures used by ANR require that valves isolating active metering and regulating stations must be inspected.

b. ESD valves for Brownsville Station (MLVs 32 and 33) are not listed on the annual valve inspection form. ESD valves show up on the ESD test form where their response times are listed.

4. §192.465 External corrosion control: Monitoring.

(b) Each cathodic protection rectifier or other impressed current power source must be inspected six times each calendar year, but with intervals not exceeding 2½ months, to insure that it is operating.

The Tritt Road rectifier (MP 412.2) exceeded the 2 ½ month inspection interval between 10/2/2006 and 1/10/2007.

The rectifier inspection records and Remote Monitoring Unit records for the Tritt Road rectifier do not have any readings recorded between 10/2/2006 and 1/10/2007.

5. §192.465 External corrosion control: Monitoring.

(d) Each operator shall take prompt remedial action to correct any deficiencies indicated by the monitoring.

a. 36" Loop Line 2-501 at MP 406.8 uses the -850 mV criteria and the reading was below (less negative) than -850 mV on 9/26/2006 (-846 mV) and 12/1/2005 (-812 mV). At the time of the inspection ANR did not have records showing that criteria had been met nor that a different criteria for CP had been established by the end of the year in 2006. When read on 26 October 2007 the readings were -908 mV On and -796 mV Off.

ANR's annual survey records showed that the 36" Loop Line at Mile Post 406.8 did not meet the required cathodic protection level on 12/1/2005 nor on 9/26/2006, or at any time up to when the testpoint was read in the field during the inspection.

b. The rectifier at Peyton Road, MP 336.1, experienced a major loss in amperage in December 2006, in March 2007 there is a note on the record that a new ground bed is needed. At the time of the inspection, October 2007, and new groundbed request has not been initiated.

ANR's rectifier reading records show the loss of amperage and do not list subsequent follow-up action to check the condition. During the inspection the operator provided an e-mail that the groundbed had been put out for bid during the inspection.

6. §192.605 Procedural manual for operations, maintenance, and emergencies.

(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) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

§192.613 Continuing surveillance.

(a) Each operator shall have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions.

In the drainage ditch/creek south of Little Beartail Creek (vicinity MP 340, south of Bowmantown Road) the concrete matting over the 30" Loop line had been undercut and fallen in, possibly exposing and undermining the pipeline.

During the field check on the pipeline the concrete matting was observed to have been undercut and damaged over the ANR Mainlines in the drainage ditch south of Little Beartail Creek in the vicinity of Mile Post 340. Photographs of the condition were taken.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any 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 ANR Pipeline Company 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 2-2008-1005W**. 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,

A handwritten signature in blue ink, appearing to read "M. Shoaib", with a stylized flourish at the end.

Mohammed Shoaib
Acting Director, Southern Region
Pipeline and Hazardous Materials Safety Administration