

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: richard_prior@tcenergy.com;
jessica_kirstine@tcenergy.com; tommy_mikalson@tcenergy.com

November 4, 2022

Richard Prior
President, Liquids Pipelines
700 Louisiana St, Suite 800
Houston, TX 77002

CPF 3-2022-065-NOA

Dear Mr. Prior:

From March 29, 2021 to February 1, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected TC Oil Pipeline Operations Inc.'s (TCE) procedures for Operation and Maintenance and Integrity Management.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within TCE's plans or procedures as described below:

1. **§ 195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a)
 - (c) ***Maintenance and normal operations.*** The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:
 - (1)
 - (3) **Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

TC Oil Pipeline Operations Inc.'s Operations and Maintenance procedure, "195.414 Inspection of Pipelines in Areas Affected by Extreme Weather and Natural Disasters" effective December 14, 2020, fails to adequately meet the requirements of § 195.414.

Specifically, TCE's procedure does not properly reference all of the potential extreme weather events and/or natural disasters that have a likelihood of damage to infrastructure. Furthermore, the procedure does not address how the event will be identified by the process.

Therefore, TCE must amend its procedure to properly indicate all potential extreme weather events and natural disasters that need to be accounted for and how they will be identified.

2. § 195.452 Pipeline integrity management in high consequence areas.
- (a)
- (b) **What program and practices must operators use to manage pipeline integrity? Each operator of a pipeline covered by this section must:**
- (1)
- (4) **Include in the program a framework that –**
- (i) **Addresses each element of the integrity management program under paragraph (f) of this section, including continual integrity assessment and evaluation under paragraph (j) of this section; and**

TC Oil Pipeline Operations Inc.’s “TEP-IN-CPS-HCA-L HCA Identification and Procedure for Creating CPS and HCA Lists (US)” procedure effective December 3, 2018, which is referenced by Sec 6.3.2 the US-LIQ-IMP US Hazardous Liquid Integrity Management Program including High Consequence Areas (Onshore) (US) procedure effective October 23, 2020 fails to address a process for approving and defining adequate and convincing technical justification for concluding that any segment in an HCA, or potentially affecting an HCA, would not affect an HCA. The process does not allow for the removal or editing of polygons provided by NPMS.

TCE is using a contractor to gather HCA polygons defining highly populated areas, other populated areas, unusually sensitive drinking water areas, unusually sensitive ecological areas, and navigable waterways. The contractor has provided technical justification as to why certain HCA polygons can be removed or trimmed to which TCE has stated they have approved.

TCE provided an Excel spreadsheet with the following additional locations were removed or redrawn:

- 3 other populated areas
- 429 drinking water USAs
- 365 ecological USAs

TCE provided the following revision to its procedure to be published before May 1, 2022, which satisfies this inadequacy:

“QC of HCA Records and Analysis

An external vendor gathers data and executes the HCA identification process. Data gathered and generated through the HCA analysis has multiple QC processes, including:

- *Review by a GIS specialist*
- *HCA data received from the NPMS is validated with the most current data available from source agencies: federal, state, and non-profit*
- *Refinement (enlargement or reduction) of populated area HCA polygons based upon aerial imagery representative of where people collectively live, work and play*
- *De-activation of HCAs which no longer meet the definition of an HCA, or which are considered inactive*
- *Attribute table review, including queries and logical rules*

These multiple levels of QC improve the accuracy and completeness of the final datasets.”

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under § 190.211. 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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 90 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed. In regard to Item 2 of the letter, no further action is required.

It is requested (not mandated) that TC Oil Pipeline Operations Inc maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Gregory Ochs, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2022-065-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Gregory Ochs
Director, Central Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings

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