

MAY 27 2011

Mr. Ken Leier
Region Director
U.S. Western Pipe Region
TransCanada Corporation
201 West North River Drive, Suite 505
Spokane, WA 99201

Re: CPF No. 5-2010-1005

Dear Mr. Leier:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and finds that TransCanada has completed the actions specified in the Notice to comply with the pipeline safety regulations. Therefore, this case is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, Director, Western Region, PHMSA

CERTIFIED MAIL - RETURN RECEIPT REQUESTED [7005 1160 0001 0075 9312]

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of

TransCanada Corporation,

Respondent.

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CPF No. 5-2010-1005

FINAL ORDER

Between August 24 to 27, 2009, and September 8 to 11, 2009, pursuant to 49 U.S.C. § 60117, a representative of the Washington Utilities Commission (WUTC), as agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of TransCanada Corporation (TransCanada or Respondent) in the State of Washington.¹ The inspection covered TransCanada's Rosalia District, an area in the eastern part of the State that includes approximately 201 miles of interstate natural gas transmission lines in Spokane and Whitman Counties.

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated September 21, 2010, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that TransCanada had violated 49 C.F.R. § 192.465(d) and proposed ordering Respondent to take certain measures to correct the alleged violation.

TransCanada responded to the Notice by letters dated October 18, 2010, and December 8, 2010 (Response). The company did not contest the allegation of violation but provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

In its Response, TransCanada did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.465(d), which states:

§ 192.465 External corrosion control: Monitoring.

(a) . . .

¹ <http://www.transcanada.com/> (last accessed on May 10, 2011).

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

The Notice alleged that Respondent violated 49 C.F.R. § 192.465(d) by failing to take prompt remedial action to correct deficiencies indicated by corrosion control monitoring. Specifically, the Notice alleged that TransCanada failed to take prompt action to correct deficiencies in the pipe-to-soil readings discovered at the Spokane Gate/Meter Station in 2007. The Notice alleged that the 6-inch buried piping between the heater unit and meter building had a pipe-to-soil “on” potential value of approximately -443 mv DC at the time of the 2009 inspection, and that the native potential at that location had been measured at -229 mv DC in 2006. The Notice further alleged that this location had an “off” potential value of -210 mv DC at the time of the 2009 inspection, and that TransCanada had not taken any steps to remediate its cathodic protection system since 2007.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.465(d) by failing to take prompt remedial action to correct deficiencies indicated by corrosion control monitoring.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for a violation of 49 C.F.R. § 192.465(d). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicates that Respondent has taken the following actions specified in the proposed compliance order:

1. With respect to the violation of § 192.465(d) (**Item 1**), Respondent has taken steps to address the deficiencies identified in its corrosion control monitoring. Specifically, TransCanada has installed additional anodes and a flange insulation kit to improve the performance of its cathodic protection system and performed testing to ensure that its pipe-to-soil potential at the location meets the specified criteria. In March 2011, WUTC confirmed that these measures had been properly implemented in a follow-up inspection of the Rosalia District.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice are not included in this Order.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued