U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 23, 2019

Ms. Sonya Kirby
Vice President, Safety, Quality & Compliance
P.O. Box 1000
Station M
Calgary AB
CA
T2P 4K5

CPF 5-2019-1006W

Dear Ms. Kirby:

From November 27, 2017 through September 7, 2018, representatives of the Pipeline & Hazardous Materials Safety Administration (PHMSA) and the Washington Utilities and Transportation Commission, pursuant to Chapter 601 of 49 United States Code, inspected the TransCanada Gas Transmission Northwest Pipeline System (GTN) in the states of Washington, Oregon, and Idaho.

During the inspection, the following probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR) were noted. The potential regulatory deficiencies observed and probable violation(s) are:

1. **§192.147 Flanges and flange accessories.**
(b) Each flange assembly must be able to withstand the maximum pressure at which the pipeline is to be operated and to maintain its physical and chemical properties at any temperature to which it is anticipated that it might be subjected in service.

   A flange at the Schweitzer Meter station, in Idaho was improperly installed to withstand anticipated service conditions. All of the studs on one side of the flange

were too short to go all the way through some of the nuts. Without the studs going all the way through the nut, maximum strength is not achieved and the applicable flange fitting may not provide the design strength for the flanges or the strength needed for the applicable Maximum Allowable Operating Pressure.

2. **§192.947 What records must an operator keep?**
(d) Documents to support any decision, analysis and process developed and used to implement and evaluate each element of the baseline assessment plan and integrity management program. Documents include those developed and used in support of any identification, calculation, amendment, modification, justification, deviation and determination made, and any action taken to implement and evaluate any of the program elements.

Documents to support GTN's analysis and decision making process used to conduct their risk analysis of its pipeline to identify additional measures to protect their high consequences areas per §192.935 were not provided to our inspectors. The list of Preventative and Mitigative Measures (P&M Measures) implemented on the pipeline system and presented to the inspection team did not include any documents that GTN used to support the decisions, analysis, processes, or developed to support the identification, applicable calculations, amendments, modifications, justifications, deviations and determinations made by GTN to justify any action taken regarding the program elements on the P&M Measures list. The operator is required to keep records used to implement and evaluate each element to their Integrity Management program including their P&M Measures per §192.935.

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.
(b) Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve.

Valve 20-A, line bypass at Starbuck Compressor #7, (Wallula District, WA), leaked or sprayed oil over the all of the external surfaces of the valve assembly. GTN personnel stated that the valve was still operational but believed it needs a new poppet valve. During the last valve inspection, the GTN inspection noted that between 5 and 10 gallons of hydraulic oil had to be added to the valve's oil reservoir.

4 **§192.481(b) Atmospheric corrosion control: Monitoring.**
(b) During inspections the operator must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.

1) The A-Line pig bypass line at the Starbuck Compressor station #7, (Wallula

District, WA) had areas of disbonded tape wrap at the soil to air interface. The tape wrap appeared to be sagging off the bottom of the pipeline where it entered the soil. It could not be determined whether this visible tape wrap is a secondary protective coating over, for example a Fusion Bound Epoxy (FBE) coating, or it is the primary coating at the soil/air interface. If the tape wrap is the primary coating, there is the possibility that water and soil could be in direct contact with the pipe and cause corrosion issues.

2) The A-Line pig receiver piping at the Rosalia Compressor station (Rosalia District, WA) showed signs of surface rust through the coating at the soil to air interface. It appears that there is only a paint coating where the pipe is partially resting on soil and is a wrap coating. It could not be determined whether this visible tape wrap is a secondary protective coating over, for example a Fusion Bound Epoxy (FBE) coating, or it is the primary coating at the soil/air interface. If the tape wrap is the primary coating, there is the possibility that water and soil could be in direct contact with the pipe and cause corrosion issues. It could not be determined during the inspection whether the rust is bleeding through paint or through an FBE coating.

3) The crossover blowdown at the top of an in-line tee fitting at the soil to air interface at the Rosalia Compressor station (Rosalia District, WA) had visible rust and possible corrosion. The tape wrap was peeled away and was disbonded from the pipe leaving the potential for moisture under the wrap and potential corrosion. Some type of sealant or filler was previously applied around the pipe at the top of the tape wrap. The sealant has cracked away from the pipe and wrap leaving a portion of the pipe above the wrap exposed to what appears to be bare pipe.

5. §192.481(b) Atmospheric corrosion control: Monitoring.
(c) If atmospheric corrosion is found during an inspection, the operator must provide protection against the corrosion as required by §192.479.

The A-Line pig bypass line at the Starbuck Compressor station #7, (Wallula District, WA) had an area above the soil/air interface where the coating appears to have been knocked off the pipeline. Surface rust was visible as are signs of possible early corrosion where the coating was missing and appeared to be chipped off of the pipe. There were areas of cracking in the remaining coating where moisture could wick under the coating and be trapped causing corrosion issues.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed $209,002 per violation per day the violation persists, up to a maximum of $2,090,022 for a related series of violations. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed $200,000 per violation per day, with a maximum penalty not to exceed $2,000,000 for a 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 during future construction activities. Failure to do so will result in Gas Transmission Northwest Pipeline System 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 5-2019-1006W.** 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,

Chris Hoidal
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP 60 Compliance Registry
PHP-500 B. Brown (#157147, 160064, 160666, 160063, 160062, 164173)