

National Energy
Board



Office national
de l'énergie

File OF-Surv-OpAud-T211-2013-2014 01
30 June 2014

Mr. Russ Girling
President and Chief Executive Officer
TransCanada PipeLines Limited
450 – 1st Street SW
Calgary, AB T2P 5H1
Facsimile 403-920-2200

Mr. Greg Lohnes
Executive Vice-President, Operations and
Major Projects
Accountable Officer as per the NEB Act
TransCanada PipeLines Limited
450 – 1st Street SW
Calgary, AB T2P 5H1
Facsimile 403-920-2200

Dear Mr. Girling and Mr. Lohnes:

**TransCanada PipeLines Limited and its National Energy Board-Regulated
Subsidiaries (TransCanada) – National Energy Board Onshore Pipeline Regulations,
(OPR) Audit Corrective Action Plan (CAP) – Third Party Crossings Program
(Crossings Program)**

The National Energy Board (NEB or Board) has examined TransCanada's CAP submitted by letter dated 30 April 2014 in response to the findings identified in the Board's final OPR Audit Report (Final Report).

The Board has approved the CAP proposed by TransCanada and has provided additional direction in the attached Table. This additional direction describes the methods and timing for addressing the findings identified in the Final Report.

TransCanada shall provide the NEB with quarterly updates beginning 30 September 2014. The information filed should verify that corrective actions address the findings identified in the Final Report, the directions in the attached Table and the OPR. The Board will determine whether the individual corrective actions are adequately and effectively implemented during future compliance activities. The Board may also, in specific circumstances, determine that a site visit is necessary. In that case, TransCanada will be contacted to arrange a mutually agreeable time.

The Board considers effective and implemented management systems to be critical to the safe and secure operation of pipelines. The Board also considers that TransCanada will have already undertaken management system improvements since the issuance of the Board's Final Report. The Board is of the view that the deficiencies noted in the audit can and should be addressed in a shorter timeframe than that proposed by TransCanada. Accordingly, the Board has directed that all corrective actions be completed on or before 30 June 2015 as set out in the attached table.

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If you require any further information or clarification, please contact Marnie Sparling, Lead Auditor, Operations Business Unit at 403-299-2797 or toll-free at 1-800-899-1265.

Yours truly,

Original signed by L. George for

Sheri Young
Secretary of the Board

Attachment – TransCanada OPR Audit CAP Crossings Program

TransCanada Third Party Crossings Program Audit**Corrective Action Plan (CAP)**

Crossings Program Audit Finding	TransCanada CAP Status	Direction by the Board
Audit Sub-Element 1.2 Policy and Commitment Statements	TransCanada's CAP for this audit finding is accepted with additional direction by the Board.	TransCanada is directed to implement this corrective action on or before 31 December 2014.
Audit Sub-Element 2.1 Hazard Identification, Risk Assessment and Control - Station Piping	TransCanada's CAP for this audit finding is accepted as submitted.	None required.
Audit Sub-Element 2.2 Legal Requirements	TransCanada's CAP for this audit finding is accepted with additional direction by the Board.	TransCanada is directed to implement this corrective action on or before 30 June 2015. TransCanada is further directed to file with the Board by 30 September 2014, its planned stage gates to meet the 30 June 2015 deadline.
Audit Sub-Element 2.3 Goals, Objectives and Targets	TransCanada's CAP for this audit finding is accepted with additional direction by the Board.	TransCanada is directed to implement this corrective action on or before 30 June 2015. TransCanada is further directed to file with the Board by 30 September 2014, its planned stage gates to meet the 30 June 2015 deadline. In order to facilitate the Board's review, TransCanada will also file with the Board by 31 December, 2014, a concordance table of its terminology with that of the OPR for Goals, Objectives and Targets.
Audit Sub-Element 3.3 Management of Change	TransCanada's CAP for this audit finding is accepted as submitted.	None required.

Crossings Program Audit Finding	TransCanada CAP Status	Direction by the Board
Audit Sub-Element 3.4 Training, Competence and Evaluation	TransCanada's CAP for this audit finding is accepted with additional direction by the Board.	TransCanada is directed to implement this corrective action on or before 30 June 2015. TransCanada is further directed to file with the Board by 30 September 2014, its planned stage gates to meet the 30 June 2015 deadline.
Audit Sub-Element 4.1 Inspection, Measurement and Monitoring	TransCanada's CAP for this audit finding is accepted as submitted.	None required.
Audit Sub-Element 4.2 Investigating and Reporting Incidents and Near-misses	TransCanada's CAP for this audit finding is accepted with additional direction by the Board.	In order to facilitate the Board's review, TransCanada will conduct a live demonstration of its system for the Board once implemented.
Audit Sub-Element 4.3 Internal Audits	TransCanada's CAP for this audit finding is accepted with additional direction by the Board.	TransCanada is directed to implement this corrective action on or before 30 June 2015. TransCanada is further directed to file with the Board by 30 September 2014, its planned stage gates to meet the 30 June 2015 deadline.
Audit Sub-Element 5.1 Management Review	TransCanada's CAP for this audit finding is accepted as submitted.	None required.