



INSPECTION OFFICER ORDER NO. DRP – 001 – 2022 (AMENDED)

IN THE MATTER OF THE CANADIAN ENERGY REGULATOR ACT,
AN ORDER UNDER SECTION 109

COMPANY TO WHOM THIS ORDER IS DIRECTED

NOVA Gas Transmission Ltd. (NGTL) is a company conducting work associated with a regulated facility located near Bear Canyon, AB as part of the North Corridor Expansion Project (NCE).

BACKGROUND

On 30 August 2022, the undersigned Canada Energy Regulator (CER) Inspection Officer (IO) issued order [DRP-001-2022](#) to NGTL after conducting a compliance verification activity (CVA) at the NGTL Bear Canyon stockpile yard in response to an incident that NGTL reported to the CER on 26 August 2022. Specified measure 1 of the order requires NGTL to cease pipe unloading activities for the NCE.

On 16 September 2022, NGTL provided a partial response to specified measure 1 of the order. In their response, NGTL included pipe unloading procedures and measures to ensure Inspector competency for North Star 2 and Red Earth sections only, stating a response for the Bear Canyon section would be sent at a later date. NGTL requested CER amend the order to allow pipe unloading to continue on North Star 2 and Red Earth, stating the rationale for the request was to enable the completion of construction in the Red Earth section before the 15 February caribou Restricted Activity Period (RAP).

In reviewing NGTL's request, the IO considered Condition 25 on the Certificate of Public Convenience and Necessity GC-131, which states, "The Commission expects NGTL to make every effort possible to avoid work during the RAP in the Red Earth caribou range."

The IO is satisfied with NGTL's response to specified measure 1 of the order for the North Star 2 and Red Earth sections, as detailed below. Therefore, it is reasonable to amend the order allowing pipe unloading work to continue for these sections. The cease work order remains in effect for the Bear Canyon section.

On 21 September 2022, NGTL submitted a corrective and preventative action plan (CAPA) applicable to all NGTL CER-regulated worksites. The CAPA satisfies specified measure 2 of DRP-001-2022.

GROUNDINGS FOR AMENDING ORDER

- NGTL's response to specified measure 1 included revised pipe unloading procedures for the sole contractor unloading pipe on North Star 2 and Red Earth sections.
- In their response, NGTL stated they had reviewed and accepted revised written work procedures from their pipe unloading contractor and applied initial learnings and corrective actions from the incident. The company also described the measures they had taken to ensure NGTL representatives were competent to carry out their oversight responsibilities, including:
 - ensuring NGTL representatives conduct a formal review of job tasks,
 - the addition of safety inspection resources to support NGTL general inspectors and oversee pipe unloading activities, and
 - reinforcing expectations for company inspectors to review contractor safe work practices and job hazard analyses.
- After reviewing the 16 September response, the IO determined the CER needed more information to consider NGTL's request, including:
 - a description of the initial learnings and corrective actions,
 - copies of the contractor's revised pipe unloading procedures, and
 - details of how NGTL will add additional oversight resources to support the general inspectors.

- On 23 September 2022, NGTL responded to the information request with a copy of the contractor's work procedures. The IO requested additional information from the company regarding the delineation of exclusion zones at laydown yards and the sequence of unloading trailers hauling more than one tier of pipe.
- NGTL responded on 26-27 September 2022 with revised pipe unloading procedures for North Star 2 and Red Earth, and an explanation of their specification for loading and unloading multiple tiers of pipe.
- After reviewing the response, the IO believes that NGTL has satisfied specified measure 1 of the order for North Star 2 and Red Earth sections.
- On 21 September 2022, NGTL submitted a CAPA applicable to all CER-regulated worksites satisfying specified measure 2 of DRP-001-2022, which is, as a result, removed in this amended order.

Inspection officer order DRP-001-2022 is AMENDED, pursuant to subsection 69(2) of the CER Act, with the following wording replacing the text after (and including) the "Measures To Be Taken" heading:

MEASURES TO BE TAKEN

Based on the facts referenced herein, the inspection officer has reasonable grounds to believe that there is or is likely to be a contravention of Parts 2 to 5 or section 335 of the CER Act, or for a purpose referred to in subsection 102(2) CER Act, the inspection officer may, by order, direct a person to

- stop doing something that is in contravention of Parts 2 to 5 or section 335 or cause it to be stopped;*
- take any measure that is necessary in order to comply with Parts 2 to 5 or section 335 or mitigate the effects of non-compliance;*
- stop doing something that may cause a hazard to the safety or security of persons, or damage to property or the environment or cause it to be stopped; or*
- take any measure that is necessary to prevent or mitigate the hazard to the safety or security of persons or damage to property or the environment.*

NGTL is ORDERED pursuant to subsections 109(1) and 109(2) of the CER Act to:

- Take measures specified as per (b) and (d) above
- Stop doing something as per (a) and (c) above
- Suspend work associated with a facility, including a regulated facility, abandoned facility or ground disturbance until the hazardous or detrimental situation has been remedied to the satisfaction of an Inspection Officer or the order is stayed or rescinded

SPECIFIED MEASURES¹

1. Cease pipe unloading activities on the North Corridor Expansion Project Bear Canyon Section until such time that the inspection officer has confirmed in writing that it is satisfied that NGTL has demonstrated that:
 - a. contractor(s) unloading pipe on behalf of NGTL have written work procedures that are sufficient to perform the work safely and prevent recurrence of the incident that occurred on 26 August 2022; and
 - b. NGTL representatives (e.g., inspectors) overseeing pipe unloading have the expertise, knowledge, and training to competently carry out their safety-related responsibilities.
2. Provide the inspection officer with monthly status updates commencing on 30 September 2022 until the CAPA provided under specified measure 2 in [DRP-001-2022](#)

¹ All documentation provided to meet the terms of the order must be filed with the Secretary of the CER's office with a copy to the undersigned Inspection Officer, unless otherwise specified by the Inspection Officer.

(as it read prior to this amendment) is fully implemented.

EFFECTIVE DATE OF THE ORDER

This amended inspection officer order takes effect immediately on 27 September 2022 at the time of delivery of the order to the company to whom it is directed. Nothing in this Order shall be construed as reducing, increasing, or otherwise affecting what may be required of the company to whom it is directed to comply with all applicable legislative or legal requirements.

COMPLIANCE WITH THIS INSPECTION OFFICER ORDER IS MANDATORY

Failure to comply with an inspection officer order issued under section 109 of the CER Act is an offence under section 112 of the CER Act.

| | | |
|-------------------------------|--|-------------------------|
| Inspection Officer | [REDACTED] | |
| | IO Designation Number | _____ Signature |
| | 27-Sep-2022 | [REDACTED] |
| | Date | _____ Name (printed) |
| | Suite 210, 517 10 th Avenue SW Calgary AB T2R 0A8 | |

Please note that in compliance with the CER's Enforcement Policy, this Order will be posted on the CER's website.