



File OF-Surv-Gen-T217 01
22 June 2017

Mr. John Ferris
President and CEO
Trans-Northern Pipelines Inc.
45 Vogell Road, Suite 310
Richmond Hill, ON L4B 3P6
Facsimile 905-770-8675

Dear Mr. Ferris:

**Trans-Northern Pipelines Inc. (TNPI)
Amending Safety Order AO-002-SO-T217-03-2010
Conditions 5.a and 5.c Report Filing
Information Request No. 2**

On 24 October 2016, the National Energy Board (Board) issued Safety Order AO-002-SO-T217-03-2010 (Amending Safety Order) to TNPI allowing operation of its pipeline system subject to certain conditions.

Condition 5.a of the Amending Safety Order requires TNPI to conduct a historical review of past overpressures to identify causal and contributing factors specific to management system.

Condition 5.c of the Amending Safety Order requires TNPI to “file with the Board for approval by 31 December 2016, a report which describes the process of incident investigation and analysis including the incidents assessed, the analytical results, and the implemented and required preventive and mitigative measures. The report shall include a timeline to implement the preventive and mitigative measures that are not implemented when the report is filed (outstanding measures)”.

On 30 December 2016, TNPI filed (1) a DNV GL report entitled Review of Overpressure Incidents – Condition 5.a (DNV GL Report), and (2) TNPI Condition 5.c Report – Prevention Measures and Timelines (Condition 5.c Report), in compliance with the Amending Safety Order.

The Board reviewed the reports and requested additional IR No. 1 on 3 March 2017. On 31 March 2017, TNPI filed the responses to IR No. 1 as directed by the Board.

.../2

The Board reviewed the IR No. 1 responses and requested additional clarification during the NEB-TNPI Conference call held on 20 April 2017. TNPI provided the additional clarification in its follow-up correspondence dated 5 May 2017.

On 8 May 2017, TNPI submitted the responses to two action items set out in the conference call. TNPI also submitted a document (weekly status report as part of compliance with a 2009 Safety Order) as referenced in the 5 May 2017 correspondence.

The Board reviewed the responses to the action items submitted by TNPI on 8 May 2017, and requires TNPI to provide additional information as stipulated in the attached IR No. 2, and to file with the Board its responses, which include the information requested in the attachment, no later than 12 July 2017.

Yours truly,

Original signed by L. George for

Sheri Young
Secretary of the Board

Attachment

Trans-Northern Pipelines Inc. (TNPI)
Amending Safety Order AO-002-SO-T217-03-2010
Conditions 5.a and 5.c Report Filing Filed 30 December 2016
Information Request No. 1 Response Filed 31 March 2017, and
Information submitted Filed 20 April 2017
File OF-Surv-Gen-T217 01

Information Request No. 2

2.1 Unreported overpressure events

- Reference:**
- i) Amending Safety Order [AO-002-SO-T217-03-2010](#)
 - ii) *National Energy Board Onshore Pipeline Regulations* (OPR) section 1, definitions, and subsections 52(1) and (2)
 - iii) TNPI response to conference call action item 2 dated 20 April 2017
 - iv) [NEB Event Reporting Guidelines](#) dated 15 December 2014

Preamble: Section 1 of the OPR, paragraph (f) of the definition of the term "incident" states that "incident" means an occurrence that results in "*the operation of a pipeline beyond its design limits as determined under CSA Z662 or CSA Z276 or any operating limits imposed by the Board*". Subsection 52(1) of the OPR states that company shall immediately notify the Board of any incident and submit a preliminary and detailed incident report to the Board as soon as is practicable.

Reference iv) provides companies the Board's requirements for event reporting under various regulations and defines the reportable events including the incidents under the OPR. Section 3.1.3 of Reference iv) provides the definition for the "operation beyond the design limits" and the list of events that fall under this definition including the "operation of a pipeline at pressures outside of Board imposed criteria". Reference iv) states that effective 1 January 2015, regulated companies are directed to follow the NEB Event Reporting Guidelines (Guidelines) (Reference iv) and report a list of events including the incidents under the OPR.

TNPI confirmed in Reference iii) that there were instances when its pipeline system had experienced events in which an increase of the operating pressure above the Board's imposed pressure restriction in 2010 on the entire TNPI pipeline system had occurred, since 15 December 2014 (i.e. when the Guidelines were issued) until 20 September 2016 (i.e. when the Board issued Amending Safety Order AO-001-SO-T217-03-2010 subsequently revised by Amending Safety Order AO-002-SO-T217-03-2010 (Reference i)). TNPI also confirmed that in accordance with its internal incident reporting, occurrences of operating

pressures in excess of 105% maximum operating pressure (MOP) but still below the 110% MOP were internally reported as near miss incidents.

The Board notes that incidents - when the TNPI pipeline system was operated beyond the Board's imposed pressure restriction up to 110% of the imposed pressure restriction - were not reported as directed in the Guidelines and OPR.

Request:

- a) Provide an update of Condition 5.a including the percentage of MOP, dates and locations of the unreported overpressure incidents when the TNPI pipeline system was operated beyond the Board's imposed pressure restriction up to 110% of the imposed pressure restriction.
- b) Report each event identified in a) to the NEB Online Event Reporting System (OERS);
- c) File a revised Condition 5.c report including the following information for each event reported in b) in a table format:
 - c.1) Description of the event and circumstances;
 - c.2) Immediate cause determined by the internal investigation;
 - c.3) Basic cause determined by the internal investigation;
 - c.4) Causes and contributing factors specific to Management System and organizational factors determined by the internal investigation;
 - c.5) The identified reason(s) for failing to report these events;
 - c.6) Corrective actions and preventive measures in development and implemented to avoid similar events;
 - c.7) Rationale for not implementing the corrective actions listed in c.6), if applicable.

2.2 2009 Ottawa Lateral Incident

Reference:

- i) Amending Safety Order [AO-002-SO-T217-03-2010](#)
- ii) TNPI response to Information Request No. 1 dated 31 March 2017
- iii) TNPI-NEB correspondence dated 8 May 2017
- iv) Weekly status report as part of compliance with a 2009 safety order

Preamble:

Section 2, pages 2 and 16 of the revised "Review of Overpressure Incidents – Condition 5.a" report in Reference ii) include the analysis of an Ottawa lateral incident that occurred in 2009. As this incident could not be identified in the NEB OERS, in NEB-TNPI correspondence (Reference iii), TNPI provided an additional document (Reference iv)) as required by NEB staff that demonstrated their reporting of the incident.

The incident was reported in the weekly status report as part of TNPI's compliance with the 2009 Safety Order, but was not reported through the NEB incident reporting process existing at that time. Consequently the incident is not within the NEB OERS, nor does it have an incident number.

Request:

- a) Report the 2009 Ottawa Lateral event to the NEB Online OERS;
- b) Once an incident number is received, update the incident number where necessary in the revised Condition 5.c report requested in 1.c).