



Canada Energy Regulator Régie de l'énergie du Canada

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T2R 0A8 T2R 0A8

File 4668651  
10 September 2024

Gail Sharko  
Tran-Northern Pipelines Inc.  
109-5305 McCall Way NE  
Calgary, AB T2E 7N7

Dear Gail Sharko:

**Trans-Northern Pipelines Inc.  
Application dated 11 July 2024 to change the approved maximum operating pressure of the NPS 10 Hamilton Junction to Oakville pipeline and to remove the pipeline from Order AO-001-SO-T217-03-2010**

**Before: K. Penney, Presiding Commissioner; T. Grimoldby, Commissioner; J-D. Charlebois, Commissioner**

On 12 February 2024, the Commission of the Canada Energy Regulator received an application from Trans-Northern Pipelines Inc. (**TNPI**), to change the approved maximum operating pressure (**MOP**) of the NPS 10 Hamilton Junction to Oakville pipeline (**Pipeline**) by varying Order MO-3-78, and to remove the Pipeline from Schedule D of Order AO-001-SO-T217-03-2010. TNPI requested this relief pursuant to condition 4.f of Order AO-001-SO-T217-03-2010 and section 69 of the *Canadian Energy Regulator Act (CER Act)*.

The approved MOP for the Pipeline is set out in Order MO-3-78 as 1,315 psig (equivalent to 9 067 kPa) at the Hamilton end, and 1,285 psig (equivalent to 8 860 kPa) at the Oakville end. Order AO-001-SO-T217-03-2010 restricts the MOP for this Pipeline to 7 974 kPa (i.e., 90 per cent of 8 860 kPa). TNPI has applied to change the approved MOP in Order MO-3-78 to 7 974 kPa for the entire Pipeline.

The Commission notes that condition 4.f is not applicable to TNPI's requested relief because TNPI is not requesting approval to raise the MOP for the Pipeline above 7 974 kPa. However, TNPI framed its application in relation to this condition and provided all information that would be required if this condition applied, including the submission of an engineering assessment, and the Commission used this information to assess TNPI's requested relief. In relation to TNPI's request to vary Order MO-3-78 to change the approved MOP for the Pipeline, the Commission considered the engineering assessment to determine whether the Pipeline is fit for service at 7 974 kPa. In relation to TNPI's request to remove the Pipeline from Schedule D of Order AO-001-SO-T217-03-2010, the Commission considered both the engineering assessment and TNPI's submissions related to its compliance with various conditions of Order AO-001-SO-T217-03-2010 applicable to the pipeline system as a whole.

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For the reasons set out below, the Commission grants TNPI's requested relief.

### **Test for applications to review and vary previous decisions or orders**

Subsection 69(1) of the CER Act provides that the Commission may review, vary, or rescind any decision or order it makes. Section 44 of the *National Energy Board Rules of Practice and Procedure, 1995* sets out the required content of an application for this type of relief. There is no automatic right of review. Rather, the Commission has a discretionary power to review its decisions, which it must exercise sparingly and with caution.<sup>1</sup>

The Commission considers applications for review through a two-step process.<sup>2</sup> In step 1, the Commission considers whether the applicant has raised a doubt as to the correctness of the decision. The Commission will consider any ground that raises a doubt, including an error of law or of jurisdiction, changed circumstances or new facts that have arisen since the close of the original proceeding, or facts that were not placed in evidence in the original proceeding and that were then not discoverable by reasonable diligence. A review application must also include the nature of the prejudice or damage that has resulted or will result from the decision or order. If the Commission finds that the applicant has met step 1, then it will proceed to step 2 and determine whether the decision should be confirmed, amended, or overturned.

### **Application to vary Order MO-3-78 to change the approved MOP for the Pipeline to 7 974 kPa**

The Commission grants TNPI's request to vary Order MO-3-78 to change the approved MOP for the Pipeline, on the basis that the circumstances of the Pipeline have changed since the issuance of Order MO-3-78, and the new circumstances support the requested change in MOP.

Order MO-3-78, which approves the MOP for the Pipeline, was issued on 2 March 1978 and amended on 25 May 1978. To address safety concerns, this Pipeline has been restricted since 20 September 2016 to a lower MOP pursuant to Order AO-001-SO-T217-03-2010, which, at the time of TNPI's application, was 7 974 kPa. Rather than apply pursuant to condition 4.f of Order AO-001-SO-T217-03-2010 to resume operating the Pipeline at its higher approved MOP, TNPI applied to change the approved MOP to the lower MOP at which it is currently operating.

TNPI submitted, in support of its application, an engineering assessment that meets the requirements of condition 4.f.iii of Order AO-001-SO-T217-03-2010, including that it was prepared in accordance with CSA Z662-23.<sup>3</sup> The Commission is satisfied that the engineering assessment demonstrates that the Pipeline is safe to operate indefinitely at an MOP of 7 974 kPa.

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<sup>1</sup> See Guide N of the [Filing Manual](#). See also, for example: Trans Mountain Expansion Project Detailed Route Hearing MH-027-2020, Ruling on Semá:th First Nation's request for review of the Commission's Geographic Scope Decision, PDF page 2 ([C09373](#)); AO-001-RH-005-2020, Letter Decision on review and variance application of TransCanada Keystone Pipeline GP Ltd. concerning the Commission's decision in RH-005-2020, PDF page 2 ([C25670](#)).

<sup>2</sup> *National Energy Board Rules of Practice and Procedure, 1995*, Part III.

<sup>3</sup> Condition 4.f.iii requires that an engineering assessment be prepared in accordance with CSA Z662-15 Clause 10.1. The engineering report that TNPI submitted was prepared in accordance with the more stringent CSA Z662-23.

The Commission finds that TNPI could be prejudiced if Order MO-3-78 was not varied to change the MOP for this Pipeline to 7 974 kPa because TNPI has demonstrated that it is safe to operate at 7 974 kPa, while Order AO-001-SO-T217-03-2010 reflects that is not safe to operate at the higher MOP currently approved by Order MO-3-78. If the Commission were to not vary Order MO-3-78 to change the approved MOP to the lower MOP, then the Pipeline may become subject to additional safety orders in future.

Accordingly, the Commission issues Amending Order AO-002-MO-3-78 to vary Order MO-3-78, to change the MOP for the Pipeline to 7 974 kPa.

**Application to vary Order AO-001-SO-T217-03-2010 to remove the Pipeline from Schedule D**

The Commission grants TNPI's request to remove the Pipeline from Schedule D of Order AO-001-SO-T217-03-2010, on the basis that the circumstances of the Pipeline have changed since the issuance of Order AO-001-SO-T217-03-2010, and the new circumstances support the removal of the Pipeline from the Order.

When Order AO-001-SO-T217-03-2010 was issued on 20 September 2016 to address safety concerns related to a number of TNPI's pipelines, including the Pipeline, the approved MOP for this Pipeline was 1,315 psig (equivalent to 9 067 kPa) at the Hamilton end, and 1,285 psig (equivalent to 8 860 kPa) at the Oakville end. Two main circumstances have changed since this time in relation to this Pipeline. First, the Commission has approved, above, a lower MOP of 7 974 kPa based on the engineering assessment that TNPI submitted with its application, which demonstrates that the Pipeline is safe to operate indefinitely at this MOP. Second, TNPI has demonstrated through its submissions that it has met the requirements of Order AO-001-SO-T217-03-2010 that apply to the pipeline system as a whole, including this Pipeline (i.e., conditions 4.a to 4.e). As a result of these two changes in circumstance, the Commission finds that the safety concerns that resulted in including the NPS 10 Hamilton Junction to Oakville pipeline in Order AO-001-SO-T217-03-2010 have been resolved by TNPI, such that it is no longer necessary to include this Pipeline in Order AO-001-SO-T217-03-2010.

The Commission finds that TNPI would be prejudiced if the Commission were to not vary Order AO-001-SO-T217-03-2010 to remove the Pipeline, because TNPI would continue to be required, pursuant to condition 8.e, to file yearly engineering assessments for the Pipeline, despite the safety concerns that led to that requirement having been resolved.

Accordingly, the Commission issues Amending Order AO-011-SO-T217-03-2010 to vary Order AO-001-SO-T217-03-2010 to remove the Pipeline from Schedule D.

Yours sincerely,

*Signed by*

Ramona Sladic  
Secretary of the Commission

Attachments: Order AO-002-MO-3-78  
Order AO-011-SO-T217-03-2010

c.c. Jane Keast, TNPI



## ORDER AO-002-MO-3-78

**IN THE MATTER OF** the *Canadian Energy Regulator Act* (**CER Act**) and the regulations made thereunder; and

**IN THE MATTER OF** an application dated 12 February 2024, made by Trans-Northern Pipelines Inc. (**TNPI**), pursuant to section 69 of the CER Act, filed with the Canada Energy Regulator (**CER**) under File 4668651.

**BEFORE** the Commission of the CER on 9 September 2024.

**WHEREAS** the CER regulates the construction and operation of the TNPI pipeline system;

**AND WHEREAS** on 2 March 1978, the National Energy Board issued Order MO-3-78, which it subsequently amended on 25 May 1978;

**AND WHEREAS** Order MO-3-78 approves the maximum operating pressure (**MOP**) for the NPS 10 Hamilton Junction to Oakville pipeline as 1,315 psig (equivalent to 9 067 kPa) at the Hamilton, Ontario end, and 1,285 psig (equivalent to 8 860 kPa) at the Oakville, Ontario end;

**AND WHEREAS** the Commission received an application from TNPI, dated 12 February 2024, and amended on 11 July 2024, to vary Order MO-3-78 to change the MOP for the entire NPS 10 Hamilton Junction to Oakville pipeline to 7 974 kPa, and to vary Order AO-001-SO-T217-03-2010 to remove this pipeline from Schedule D, both pursuant to section 69 of the CER Act;

**AND WHEREAS** on 10 September 2024, the Commission issued its reasons for granting TNPI's requested relief;

**IT IS ORDERED** that, pursuant to subsection 69(1) of the CER Act, Order MO-3-78 is varied to change the MOP for the entire NPS 10 Hamilton Junction to Oakville pipeline to 7 974 kPa.

THE COMMISSION OF THE CANADA ENERGY REGULATOR

*Signed by*

Ramona Sladic  
Secretary of the Commission



## ORDER AO-011-SO-T217-03-2010

**IN THE MATTER OF** the *Canadian Energy Regulator Act* (**CER Act**) and the regulations made thereunder; and

**IN THE MATTER OF** an application dated 12 February 2024, made by Trans-Northern Pipelines Inc. (**TNPI**), pursuant to section 69 of the CER Act, filed with the Canada Energy Regulator (**CER**) under File 4668651.

**BEFORE** the Commission of the CER on 9 September 2024.

**WHEREAS** the CER regulates the construction and operation of the TNPI pipeline system;

**AND WHEREAS** on 20 September 2016, the National Energy Board issued a Letter Decision and Order AO-001-SO-T217-03-2010, which it varied on 24 October 2016 and 11 April 2017, and the Commission further varied on 17 July 2020, 8 June 2022, 6 September 2022, 1 November 2022, 30 November 2022, 1 December 2022, 5 September 2023, and 11 March 2024;

**AND WHEREAS** the Commission received an application from TNPI, dated 12 February 2024, and amended on 11 July 2024, to vary Order MO-3-78 to change the maximum operating pressure (**MOP**) for the entire NPS 10 Hamilton Junction to Oakville pipeline to 7 974 kPa, and to vary Order AO-001-SO-T217-03-2010 to remove this pipeline from Schedule D, both pursuant to section 69 of the CER Act;

**AND WHEREAS** on 10 September 2024, the Commission issued its reasons for granting TNPI's requested relief;

**IT IS ORDERED** that, pursuant to subsection 69(1) of the CER Act, Order AO-001-SO-T217-03-2010, as amended, is varied by deleting Line 2 in Schedule D to remove the NPS 10 Hamilton Junction to Oakville pipeline. The varied Schedule D is attached to this order.

THE COMMISSION OF THE CANADA ENERGY REGULATOR

*Signed by*

Ramona Sladic  
Secretary of the Commission

**SCHEDULE D**

**Order AO-011-SO-T217-03-2010  
Trans-Northern Pipelines Inc.  
Variation to Order AO-001-SO-T217-03-2010**

**Schedule D** – Pressure Reduction of 90% of the TNPI 2014 Application Pressure (as Specified)

Line Number	Line Section	Outside Diameter (mm)	Wall Thickness (mm)	Authorized MOP (kPa)	TNPI 2014 Application Pressure <sup>1</sup> (kPa)	Reduced MOP (kPa) (90% MOP)
1	NPS 16 Nanticoke to Hamilton Junction	406	6.35, 7.14	8094, 9067	8066	7260
2	NPS 10 Hamilton Junction to Oakville	273.1	7.8	9067, 8860	8860	7974

<sup>1</sup> TNPI's 6 June 2014 Application with respect to the Nanticoke to Oakville section of the TNPI System and subsequent filings