



File OF-Surv-FIns-E101 2011
15 March 2013

Mr. Al Monaco
Chief Executive Officer
Enbridge Pipeline Inc.
3000 Fifth Avenue Place
425 – 1st Street S.W.
Calgary, AB T2P 3L8
Facsimile 403-231-3920

Dear Mr. Monaco:

Enbridge Pipelines Inc. (Enbridge), Request for Time Extension, Corrective Action Plan to Address Non-Compliances with subsection 12(a) of the *Onshore Pipeline Regulations 1999* (OPR-99) and Clause 4.14.3.3(c) of *CSA Standard Z662-11 Oil and Gas Pipeline Systems* (CSA Z662-11)

A National Energy Board (NEB or Board) inspection conducted on 20 and 25-27 October 2011 at the Edmonton, Westover and Sarnia terminals and at the Westover and Terrebonne pump stations revealed that Enbridge's Emergency Shut Down (ESD) systems were not compliant with Clause 4.14.3.3(c) of CSA Z662-11 which requires an ESD push-button. Additionally, the pump stations were not equipped with an alternate source of power capable of operating the ESD systems and therefore were non-compliant with OPR-99 subsection 12(a). The Board received an Assurance of Voluntary Compliance from Enbridge on 14 May 2012 in which Enbridge committed to develop a corrective action plan for all its pump stations across its system by 31 October 2012.

Similarly, the Board conducted an inspection of the Enbridge Bakken Pipeline Company Limited construction project on 2 – 3 October 2012 and identified that this system would also be in non-compliance with the OPR-99 subsection 12(a).

On 18 October 2012, Enbridge submitted a letter indicating it needed more time to develop the corrective action plan. Enbridge's preliminary assessment revealed that corrective actions will be required at 117 of its operating pump stations, and the Bakken station. Due to the complexity and magnitude of Enbridge's system, Enbridge proposed to have the corrective action plan developed by 15 April 2013. Enbridge indicated that further study was required to complete operability and process hazard analysis to ensure that the implementation of any given solution will not result in residual risks that could compromise the safety and integrity of the pipeline systems nor the public or the environment.

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After Enbridge's 18 October 2012 letter, several information requests were asked by the Board and Enbridge responded to these requests. The latest responses were provided on 21 January 2013. In its responses, Enbridge filed a table which shows that of the 125 pump stations it operates across its different regions, 117 of them do not comply with the OPR-99 subsection 12(a) and 83 of them do not comply with the ESD requirements of CSA Z662-11 clause 4.14.3.3(c).

With regard to Enbridge Bakken, on 12 February 2013, the Board accepted Enbridge's revised plan to bring the Bakken station into compliance and Leave to Open was granted for those facilities.


The Board finds that the extension to 15 April 2013 requested by Enbridge to develop a complete corrective action plan for its operating pump stations is acceptable, considering the magnitude of the work required to address the non-compliances. Therefore, the Board directs Enbridge to file a complete corrective action plan to address the non-compliances with Clause 4.14.3.3(c) of CSA Z662-11 and OPR-99 subsection 12(a) for all of its non-compliant operating pump stations no later than 15 April 2013. Enbridge's filing must include a completion date for the full implementation of the corrective actions.

The Board's priority is to protect Canadians and the environment. Pipeline companies are required to continually assess the hazards of their operations and upgrade their facilities to remain in full compliance with regulatory requirements. As a result of implementing effective management systems, a company ensures that pipeline systems are designed, constructed, operated and maintained to comply with those requirements. The Board, therefore, directs Enbridge to include in its corrective plan, actions designed to correct the systemic deficiencies that have led to the current non-compliance.

Finally, Enbridge is further directed to file with the Board, for each of the steps listed in the implementation schedule included in Enbridge's 18 October 2012 letter, a confirmation letter and the supporting documentation demonstrating that the steps are completed. The confirmation letters are to be provided to the Board as soon as each step is completed. Enbridge is also directed to report back to the Board regarding any management system changes that have been implemented as a result of these non-compliances. Attached is Order SO-E101-001-2013.

Should you have any questions, please contact Ken Fortin, Engineer, at 403-299-3195.

Yours truly,


Sheri Young
Secretary of the Board



ORDER SO-E101-001-2013

IN THE MATTER OF the *National Energy Board Act* (the Act) and the regulations made thereunder; and

IN THE MATTER OF Enbridge Pipelines Inc. and Enbridge Bakken Pipeline Company Limited non-compliances pursuant to sub-section 12(a) of the *Onshore Pipeline Regulations, 1999* (OPR-99) and Clause 4.14.3.3(c) of CSA Standard Z662-11 Oil and Gas Pipeline Systems (CSA Z662-11) filed under File OF-Surv-Fins-E101 2011.

BEFORE the Board on 14 March 2013.

WHEREAS the Board regulates the operation of the Enbridge and Enbridge Bakken systems on which non-compliances with the OPR-99 sub-section 12(a) and CSA Z662-11, Clause 4.14.3.4(c) were identified during inspections on Enbridge Pipelines on 20 and 25 – 27 October 2011 and on Enbridge Bakken on 2 – 3 October 2012;

WHEREAS Enbridge provided an Assurance of Voluntary Compliance to a Board Inspection Officer on 14 May 2012, whereby Enbridge committed to develop a Corrective Action Plan for all of its non-compliant pump stations across its system by 31 October 2012;

AND WHEREAS on 18 October 2012 Enbridge submitted a letter to the NEB where it requested an extension to 15 April 2013 for filing its Corrective Action Plan;

AND WHEREAS Enbridge responded to the Board's Information Requests regarding the Corrective Action Plan, scope of non-compliances and current mitigation;

NOW THEREFORE, pursuant to sections 12 and 48 of the Act, the Board hereby orders the following:

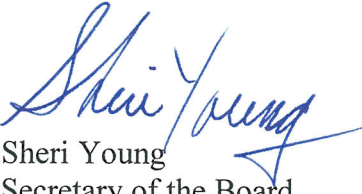
1. By 15 April 2013, Enbridge shall submit to the Board a corrective action plan to install, at all of the Enbridge and Enbridge Bakken stations under the Board's jurisdiction, an alternate source of power capable of operating the station's emergency shut-down system. This includes being capable of providing a means to block the liquids out of the stations as per CSA Z662-11 clause 4.14.3.3(c).

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The corrective action plan shall provide the locations, timelines and details of the work to be completed and shall include actions designed to correct the systemic deficiencies that have led to the current non-compliance.

2. Enbridge shall provide to the Board detailed updates at the completion of each stage identified in its corrective action plan.

NATIONAL ENERGY BOARD



Sheri Young
Secretary of the Board