



File OF-Surv-Inc-2014-33 01  
15 August 2014

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

Dear Mr. Girling:

**Nova Gas Transmission Ltd. (NGTL)**  
**Order AO-003-SG-N081-001-2014**  
**Request for Review and Variance**

On 5 March 2014, the National Energy Board (Board) issued Safety Order SG-N081-001-2014 (Order) in response to a recent trend of pipeline releases on the NGTL system. Among other things, the Order required TransCanada to proactively reduce the maximum operating pressure on the unpiggable pipelines previously identified by the company to have the highest risk.

The Board issued Order AO-002-SG-N081-001-2014 on 14 April 2014, following TransCanada's two requests to vary Order SG-N081-001-2014. The Board is of the view that TransCanada has complied with Conditions 2 and Conditions 4 (d) and 4 (e) of Order AO-002-SG-N081-001-2014.

On 23 July 2014, NGTL submitted a variance request, pursuant to Condition 4 (a), 4 (b) and Schedule A of the Order AO-002-SG-N081-001-2014 to respectively permit the direct assessment of 100 meters of NPS 16 pipeline of the Unity Lateral by way of excavation and transfer the Donalda Lateral from Schedule A to Schedule B.

The Board approves the direct assessment of the 100 meters of NPS 16 pipeline of the Unity Lateral, by way of excavation, for all relevant hazards. The Board is of the view that this provides for an equivalent level of safety. NGTL is therefore exempt from conditions 4 (a) and 4 (b) of the attached Order with respect to those 100 meters of the Unity Lateral.

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The Board also approves the transfer of the Donalda Lateral from Schedule A to Schedule B at a restricted operating pressure of 5625 kPa, as TransCanada has performed an in-line inspection for the portion of the Donalda Lateral expected to continue service beyond 31 December and has committed to implementing the pressure reduction.

The Board has also amended conditions 1 and 3 so that they operate on a forward going basis. Therefore, Board has issued Order AO-003-SG-NO81-001-2014 effecting the transfer of the Donalda Lateral from Schedule A to Schedule B, amending conditions 1 and 3, and consolidating the conditions of the Safety Order.

Yours truly,

*Original signed by L. George for*

Sheri Young  
Secretary of the Board

c.c. Mr. Declan Russell, TransCanada PipeLines Limited, facsimile 403-920-2319  
Mr. Gregg Lohnes, Executive VP, Operations and Major Projects, TransCanada Pipelines Limited, facsimile 403-920-2411



**ORDER AO-003-SG-N081-001-2014**

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

**IN THE MATTER OF** promoting the safety and security of  
operation of the TransCanada Alberta system by TransCanada  
PipeLines Limited (TransCanada), National Energy Board  
(Board) file OF-Surv-Inc-2014-33 01.

**BEFORE** the Board on 15 August 2014.

**WHEREAS** the Board issued Safety Order SG-N081-001-2014 (the Order) on 5 March 2014  
requiring specific safety and security measures of TransCanada;

**AND WHEREAS** the Board issued Order AO-001-SG-N081-2014 on 28 March 2014 extending  
the deadlines for compliance to Conditions 1 and 2 of the Order;

**AND WHEREAS** the Board issued Order AO-002-SG-N081-2014 on 14 April 2014 to vary the  
pressure restrictions specified by the Board due to impacts to shippers and end users.

**AND WHEREAS** the Board has considered TransCanada's request dated 23 July 2014 to vary  
the Order pursuant to Schedule A;

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

1. The Donalda Lateral is transferred from Schedule A to Schedule B.
2. Condition 1 is deleted and replaced with the following:

Subject to the conditions of the Order, the maximum operating pressure of the twenty-five  
(25) unpiggable NGTL pipelines that TransCanada has calculated to have the highest  
societal risk shall be maintained at or below the pressures listed in Schedules A, B, C and D.

3. Condition 3 is deleted and replaced with the following:

NGTL shall advise the Board of pipelines, if any, for which natural gas supply  
diminishment resulting from the pressure reductions, as listed in the Schedules, are  
anticipated to result in a significant impact to public safety.

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As hereby amended, the consolidated conditions and Schedules of the Order now read as follows:

1. Subject to the conditions of the Order, the maximum operating pressure of the twenty-five (25) unpiggable NGTL pipelines that TransCanada has calculated to have the highest societal risk shall be maintained at or below the pressures listed in Schedules A, B, C and D.
2. [Complied – AO-002-SG-N081-001-2014]
3. NGTL shall advise the Board of pipelines, if any, for which natural gas supply diminishment resulting from the pressure reductions, as listed in the Schedules, are anticipated to result in a significant impact to public safety.
4. For each pipeline listed in Schedule A:
  - a. TransCanada shall conduct the appropriate in-line inspection (ILI) for the susceptible hazard(s), subsequent correlation excavations to validate the ILI and as a result of the ILI results any applicable mitigation of the hazard(s) before 31 December 2014.
  - b. If TransCanada is unable to complete the requirements outlined in Condition 4a above, then TransCanada shall conduct a hydrotest as per CSA Z662-11 Clause 8 and Table 8.1 before 31 December 2014.
  - c. TransCanada shall provide the Board an Engineering Assessment, which is in compliance with CSA Z662 requirements, that demonstrates the line is fit for continued service by 31 December 2014. The Engineering Assessment shall be signed by TransCanada's Accountable Officer, as defined in the Onshore Pipeline Regulations.
  - d. [Complied – AO-002-SG-N081-001-2014]
  - e. [Complied – AO-002-SG-N081-001-2014]
  - f. Until Condition 4c is satisfied, TransCanada shall conduct appropriate leak detection on the entire pipeline monthly to verify that there are no leaks.
5. For each pipeline listed in Schedule B:
  - a. TransCanada shall conduct the appropriate in-line inspection (ILI) for the susceptible hazard(s), subsequent correlation excavations to validate the ILI and as a result of the ILI results any applicable mitigation of the hazard(s) before 1 September 2015.
  - b. If TransCanada is unable to complete the requirements outlined in Condition 5a above, then TransCanada shall conduct a hydrotest as per CSA Z662-11 Clause 8 and Table 8.1 before 1 September 2015.

- c. TransCanada shall provide the Board an Engineering Assessment which is in compliance with CSA Z662 requirements, that demonstrates the line is fit for continued service by 1 September 2015. The Engineering Assessment shall be signed by TransCanada's Accountable Officer.
  - d. In the interim, to provide assurance of the safety of the pipeline, TransCanada shall, only for the portions of the pipeline with the high societal risk, conduct Direct Assessments for the applicable hazard(s) in compliance with the appropriate NACE DA SP for the relevant hazard(s) before 31 December 2014. This condition includes conducting the above ground assessments and correlation excavations outlined in the relevant NACE DA SP.
  - e. TransCanada shall provide the Board a letter, signed by TransCanada's Accountable Officer, by 31 December 2014 confirming that the DA has been completed in compliance with the NACE DA SP for the relevant hazard(s) and that an Engineering Assessment has been completed demonstrating that the pipeline is fit for purpose up to the 1 September 2015 deadline.
  - f. Until Condition 5c is satisfied, TransCanada shall conduct appropriate leak detection on the entire pipeline monthly to verify that there are no leaks.
6. The pressure restrictions shall remain in place until a plan and program to assess the integrity of the subject lines is approved by the Board and implemented by TransCanada.
7. TransCanada shall comply with all of the conditions of this Order unless the Board otherwise directs.

NATIONAL ENERGY BOARD

*Original signed by L. George for*

Sheri Young  
Secretary of the Board

**Schedule A**

Line Number	Facility	Licensed MAOP	90 Day High Pressure ending March 4 2014	Reduced MAOP
1	Suffield South Lateral	8475	5286	5286
2	Unity Lateral	7068	5879	5879

**Schedule B** – Pressure Reduction of 5% or 10% below 90 Day High Pressure (as Specified)

Line Number	Facility	Licensed MAOP	90 Day High Pressure ending March 4 2014	Reduced MAOP
1	Bassano South Lateral	8275	5955	5657
2	Wildcat Hills Lateral	6516	5700	5415
3	Quirk Creek Lateral	6736	5818	5527
4	Sylvan Lake Lateral	6517	5967	5669
5	Nevis Lateral	7068	6155	5847
6	Robb Lateral	6895	5865	5572
7	Minnehik Buck Lake Lateral Loop	6386	6248	5623
8	Crossfield Lateral Loop	6517	5478	5204
9	Crossfield Lateral	6516	5478	5204
10	Cutbank River Lateral	8290	7075	6367
11	Donalda Lateral	8380	6251	5625

**Schedule C – Pressure Reduction of 20% below 90 Day High Pressure**

Line Number	Facility	Licensed MAOP	90 Day High Pressure ending March 4 2014	Reduced MAOP
1	Eastern Alberta System Mainline Empress to Princess Loop 3	5695	4634	3707
2	Waterton Lateral	6516	6266	5013
3	Waterton Interchange Lateral	7446	5323	4258
4	Ricinus Lateral	7448	6000	4800
5	East Lateral Loop	6280	4806	3845
6	Alderson Lateral	6737	6220	4976
7	Atmore Lateral	8462	7326	5861
8	September Lake Lateral	8455	7548	6038
9	North Lateral Extension Stage 1 Brooks	8450	5690	4552
10	Ferrier North Lateral	6282	6178	4942

**Schedule D – No additional Pressure Restriction Required**

Line Number	Facility	Licensed MAOP	90 Day High Pressure ending March 4 2014	Reduced MAOP
1	Kaybob South Lateral	6248	nil	Not applicable; line is currently out of service pending repair and submission of EA per Order
2	Carstairs Lateral Sales	6206	690	Not applicable; line is operated at low pressure