



File OF-Fac-CLP-N081-2015 0101
21 May 2015

Mr. Russell K. Girling
President and Chief Executive Officer
TransCanada Corporation
450 – 1 Street S.W.
Calgary, AB T2P 5H1
Facsimile [REDACTED]

Dear Mr. Girling:

**NOVA Gas Transmission Ltd. (NGTL)
Change of Class Location for Western Alberta System Mainline (Airdrie Section)**

The National Energy Board (Board) acknowledges NGTL's notification of the change in class location for 570 m of the Western Alberta System Mainline, Airdrie Section (WAS M/L, Airdrie). The Board is also in receipt of NGTL's engineering assessment, filed on 25 February 2015 and its response to the Board's information request submitted on 2 April 2015. NGTL's notification of Operation and Maintenance Activities filed with the Board on 4 May 2015, indicated that the pipe replacement will commence on 15 June 2015 and will be completed by 31 August 2015.

The Board has considered the information filed by NGTL and has decided to issue Safety Order SG-N081-001-2015 (Safety Order) concerning the replacement of the section of pipeline subject to the class location change. The Board notes NGTL had initially notified it of a line replacement for this class change section in 2012; however, NGTL has failed to replace the pipe section in 2012, 2013 and 2014. Accordingly, the Board considers it necessary, and in the public interest, to issue the attached Safety Order so the existing pipeline segment is protected against mechanical damage, and that the replacement of the pipe segment is carried out in an effective and timely manner.

Pursuant to the Safety Order, NGTL must complete the replacement of the class change section of the WAS M/L by no later than 31 August 2015. Until the replacement is completed, NGTL must increase leak surveillance for the class change section to biweekly intervals and install line-of-site pipe markers to maintain safety at the class change site.

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The Safety Order also requires NGTL to submit an engineering assessment by no later than 31 August 2015, for the approval of the Board, to determine the number and spacing of valves for the changed class location site. Alternatively, NGTL may install a minimum of one additional valve in the class location change area at the time of pipe replacement, in accordance with Clause 4.4.3 of the Canadian Standards Association (CSA) Z662-11, *Oil and Gas Pipeline Systems*. This requirement is necessary to address the Board's concerns with respect to valve spacing of the segment. The valve spacing in the class location change segment does not meet the requirements of Clause 4.4.4 of CSA Z662-11; nor is it supported by an engineering assessment, as required under Clause 4.4.3 of CSA Z662-11.

NGTL is also required by the Safety Order to submit additional information that validates certain assumptions in its engineering assessment. The Board has determined that insufficient evidence was provided in NGTL's engineering assessment regarding Corrosion and Stress Corrosion Cracking susceptibility of this pipeline. The Board is also of the view that the engineering assessment's conclusions regarding manufacturing and construction defects must also be validated.

Attached is the Safety Order. If you have any questions concerning this matter, please contact Negar van Schalkwyk, Engineer, Integrity Management at Negar.vanSchalkwyk@neb-one.gc.ca.

Yours truly,

Original signed by L. George for

Sheri Young
Secretary of the Board

Attachment

cc: [REDACTED], Regulatory Analyst, Regulatory Services, TransCanada Corporation,
Facsimile [REDACTED]



ORDER SG-N081-001-2015

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

IN THE MATTER OF a change in class location that has occurred on NOVA Gas Transmission Ltd. (NGTL) system, filed with the National Energy Board (Board) under File OF-Fac-CLP-N081-2015 0101.

BEFORE the Board on 21 May 2015.

WHEREAS on 23 August 2012, NGTL notified the Board of a change in class location from Class 2 to 3 for approximately 570 m section of Western Alberta System Mainline, Airdrie Section (WAS M/L, Airdrie);

AND WHEREAS the Board regulates the operation of the NGTL system;

AND WHEREAS on 23 August 2012, NGTL notified the Board of a change in class location for a segment of the WAS M/L, Airdrie, from Class 2 to 3, as described in the Canadian Standards Association (CSA) Z662-11, *Oil and Gas Pipeline Systems*;

AND WHEREAS in its 23 August 2012 notification, NGTL indicated that pipe replacement would commence on 7 November 2012;

AND WHEREAS NGTL did not conduct the required pipe replacement in 2012, 2013 or 2014;

AND WHEREAS NGTL filed an engineering assessment on 25 February 2015 and additional information about the engineering assessment on 2 April 2015;

AND WHEREAS in that engineering assessment, NGTL proposed mitigative work related to the class location change segment;

AND WHEREAS NGTL filed a notification of operation and maintenance activities on 4 May 2015 that indicated the pipe replacement is scheduled to commence on 15 June 2015 and would be completed by 31 August 2015;

AND WHEREAS the Board has determined the valve spacing in the class location change segment does not meet the requirements of Clauses 4.4.3 or 4.4.4 of CSA;

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AND WHEREAS the Board has further determined that insufficient evidence has been provided in the engineering assessment regarding Corrosion and Stress Corrosion Cracking susceptibility of this pipeline, and that the engineering assessment's conclusions regarding manufacturing and construction defects must also be validated;

NOW THEREFORE, pursuant to paragraph 12(1)(b) and subsection 48(1.1) of the NEB Act, the Board hereby orders the following:

1. Upon receipt of this Order, NGTL shall increase the leak surveillance for the class change section of pipe to biweekly intervals and install line-of-site pipe markers, until the pipe replacement has been completed by no later than 31 August 2015;
2. By no later than 31 August 2015, NGTL shall complete the pipe replacement to a Class 4 designation, as proposed by NGTL;
3. By no later than 31 August 2015, NGTL shall:
 - a. submit an engineering assessment, for approval of the Board, to determine the number of valves and their spacing for the class location change segment; or
 - b. install a minimum of one additional valve in the class location change area at the time of pipe replacement; and
4. By 1 April 2016, NGTL shall file with the Board the results of the analysis performed on the removed pipe segment post-replacement, to validate the assumptions made in the engineering assessment regarding the Manufacturing and Construction, Corrosion and Stress Corrosion Cracking threats of this pipeline.

NATIONAL ENERGY BOARD

Original signed by L. George for

Sheri Young
Secretary of the Board