



Trans-Northern //
Trans-Nord

VIA EMAIL

September 2, 2017

Peter Watson
Chairmen of the Board
National Energy Board
210 - 517 10th Ave SW
Calgary, Alberta T2R 0A8

Dear Peter,

RE: Over Pressure events on Trans-Northern Pipelines Inc. (TNPI) System

TNPI informed National Energy Board (NEB or Board) staff on August 31, 2017, verbally and thru the NEB Online Event Reporting System (OERS) regarding the discovery of several instances of unreported over pressures on the TNPI Montreal Feeder System (MFS). The MFS is located in an industrial area of Montreal East. The MFS is a NPS 10 pipeline, 2.8 kilometers long, which transports refined product from two TNPI shipper locations into TNPI's Montreal Station.

During a review of pressure cycling data for the MFS engineering assessment, instances of over pressure were discovered in excess of the September 2016 Board ordered pressure restriction. Further analysis of MFS data determined that there were other instances of pressures in excess of 110% of MOP prior to the Board Order that were not reported. The last over pressure on the pipeline occurred on November 9, 2016.

Upon discovery TNPI immediately verified the settings of pressure relief valves and pressure transmitter settings on the MFS. TNPI has commissioned a formal investigation, by owner subject matter experts, into the cause of the over pressures and the failure to report. We have also instituted a procedure whereby supervisors must review all pressure related alarms to ensure the line controllers have identified and effectively dealt with each alarm. Any abnormalities will be escalated to me.

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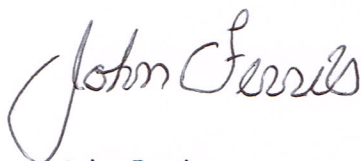
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At this time TNPI does not have any reason to believe that the over pressures recorded have led to any public or environmental risks. TNPI has reviewed the risk profile on the MFS and provides the following details:

- A pressure relief valve was installed on the MFS in mid-November 2016, the valve is set at 450 psi, and the setting was confirmed on August 30, 2017.
- No over-pressures in excess of 489 psi have occurred since November 9, 2016.
- An in-line inspection of the MFS was completed in July 2017. No immediate integrity concerns were identified.
- Hydrostatic testing was completed, in accordance with CSA Standard Z662, on the MFS to a minimum pressure of 139% of 720 psi in 2012 and 2013.

As the TNPI's President and Accountable Officer I am currently evaluating the entire organization and its effectiveness based on this latest development. Peter, I would appreciate the opportunity to meet with you to discuss this matter at your earliest convenience.

Yours very truly,



John Ferris
President and CEO

c: Chris Loewen,
Sandy Lapointe