



INSPECTION OFFICER ORDER NO. VS – 001 – 2025

IN THE MATTER OF THE CANADIAN ENERGY REGULATOR ACT, AN ORDER UNDER SECTION 109

Ogilvie Mountain Holdings (OMH) is a Company conducting ground disturbance located near Merritt, British Columbia.

On or about 23 September 2025 at 08:30 AM the undersigned Canada Energy Regulator Inspection Officer conducted a compliance verification activity (CV2526-323) at Westcoast Energy Inc. (Westcoast) CS8A Station near Merritt, British Columbia.

A verbal Order was made on 25 September 2025 at 16:22 by the undersigned Canada Energy Regulator Inspection Officer.

RELEVANT FACTS

The following are the relevant facts relating to the issuance of this Order:

1. Inspection Officers were notified of an incident during pipe coating inspection work occurring at Westcoast CS8A station. At least four OMH workers were present at worksite EX-05/06 when significant damage to pipe was identified to a 2-inch power gas line operating under approximately 500 psi. There was no release of natural gas because of this damage.
2. Compliance verification activity by the Inspection Officers identified gaps in availability and/or review of information such as ground disturbance package, inclusive of line drawings, locate reports, and hazard assessments by OMH personnel at the worksite.
3. Based on discussions with OMH representatives and document review, OMH did not fulfill its responsibility under *Canadian Energy Regulator Pipeline Damage Prevention Regulations – Authorizations (DPR-A)* section 4 to inform workers of their obligations under the DPR-A, including requirements for mechanical excavation within 3 m of the pipe and information obtained under DPR-A paragraph 10(1)(c).
4. Review of prior violations of the DPR-A where OMH was the alleged violator involved include events reported under DPR2021-098, and DPR2022-059.
5. The Inspection Officer confirmed through discussions with OMH representatives that mechanical excavation using pneumatic chisels and jackhammers were used within 3 metres of the 2-inch power gas line without first exposing the line or confirming its exact

location, and these activities were not directly supervised at all times by a pipeline company representative, in contravention of the *DPR-A*, paragraph 10(3)(c).

MEASURES TO BE TAKEN

Based on the facts referenced herein, where the Inspection Officer has reasonable grounds to believe that there is or is likely to be a contravention of Parts 2 to 5 or section 335 of the CER Act, or for a purpose referred to in subsection 102(2) CER Act, the Inspection Officer may, by Order, direct a person to

- a. stop doing something that is in contravention of Parts 2 to 5 or section 335 or cause it to be stopped;*
- b. take any measure that is necessary in order to comply with Parts 2 to 5 or section 335 or mitigate the effects of non-compliance;*
- c. stop doing something that may cause a hazard to the safety or security of persons, or damage to property or the environment or cause it to be stopped; or*
- d. take any measure that is necessary to prevent or mitigate the hazard to the safety or security of persons or damage to property or the environment.*

OMH is ORDERED pursuant to subsections 109(1) and 109(2) of the CER Act to:

- Take measures specified below under Specified Measures as per paragraphs (b) and (d) above
- Stop doing something as specified below under Specified Measures as per paragraphs (a) and (c) above
- Suspend work associated with a facility, including a regulated facility, abandoned facility or ground disturbance, until the hazardous or detrimental situation has been remedied to the satisfaction of an Inspection Officer or until this order is stayed or rescinded.

SPECIFIED MEASURES

Specified measures:

1. Cease all ground disturbance¹ within 3 metres of any CER-regulated pipe, except by hand exposure or air or hydro vacuuming, until Measures 3 and 4 below are completed to the satisfaction of the Inspection Officer.
2. Measure 1 does not apply to critical work that is necessary to protect people, property, and the environment, provided such work has been approved in writing by the Inspection Officer following a written request from OMH.

3. Conduct and document an investigation into the damage-to-pipe incident that occurred at Westcoast Compressor Station 8A near Merritt, BC, on September 19, 2025.
4. Submit to the Inspection Officer, for approval, a written investigation report and an implementation plan for corrective and preventive actions within 60 days. The plan must address, at minimum, competency, training, communication, compliance with DPR-A, and recurrence prevention, but may include additional elements.

¹*ground disturbance* has the same meaning as defined in the Canadian Energy Regulator Act.

EFFECTIVE DATE OF THE ORDER

This Inspection Officer Order takes effect immediately on 25 September 2025 at the time of delivery of this Order to the Company to whom it is directed. Nothing in this Order shall be construed as reducing, increasing, or otherwise affecting what may be required of the Company to whom it is directed to comply with all applicable legislative or legal requirements.

COMPLIANCE WITH THIS INSPECTION OFFICER ORDER IS MANDATORY

Failure to comply with an Inspection Officer Order issued under section 109 of the CER Act is an offence under section 112 of the CER Act.

Inspection Officer	25 September 2025

Please note that:

1. *In compliance with the CER's Enforcement Policy, this Order will be posted on the CER's website.*
2. *All submissions made to the CER in response to this Order must be provided to the Inspection Officer by email or mail and must clearly identify the specific measure to which the submission relates.*