



Administrative Monetary Penalty / Sanction administrative pécuniaire
NOTICE OF VIOLATION / AVIS D'INFRACTION

REFERENCE NUMBER / N° DE REFERENCE: AMP-001-2015

Information for Pipeline Company / Third Party / Individual:
Information pour la société pipelinière / une tierce partie / un particulier :

Name / Nom :	Westcoast Energy Inc., carrying on business as Spectra E	TOTAL PENALTY AMOUNT / MONTANT TOTAL DES PÉNALITÉS:
Contact / Contactez:	Mark Fiedorek	
Title / Titre:	President	
Address / Adresse:		
	Fifth Avenue Place, East Tower 425 - 1st Street SW Suite 2600 T2P 3L8	Date of Notice / Date de l'Avis:
		22 January 2015
		Regulatory Instrument # / N° de l'instrument réglementaire:
		N/A
City / Ville:	Calgary	
Province / State / État	Alberta	
Telephone / Téléphone:	██████████	
Fax / Télécopieur:	██████████	
E-mail / Courriel:	██	

On / Le 4 September 2014

Westcoast Energy Inc. carrying on business as Spectra Energy Transmission

was observed to be in violation of a NEB regulatory requirement. This violation is subject to an administrative monetary penalty, as outlined below.

a commis une infraction aux exigences réglementaires de l'ONÉ, sujet à la sanction administrative pécuniaire ci-dessous.

1. VIOLATION DETAILS / RENSEIGNEMENTS SUR L'INFRACTION

Date of Violation / Date d'infraction :		Has compliance been achieved? / La situation est-elle rétablie? <input checked="" type="radio"/> Yes / Oui <input type="radio"/> No / Non If no, a subsequent NoV may be issued. Si non, un autre avis d'infraction pourrait être envoyé.
(from / du): 4 September 2014	(to / au): 4 September 2014	
Total Number of Days / Nombre total de jours: 1		

Location of Violation / Lieu de l'infraction:

e.g. Facility/plant/head office or nearest geographical point or lat/long / ie: usine/siege central/lieu géographique Dawson Creek Gas Plant, British Columbia

Short Form Description of Violation / Description abrégée de l'infraction (Refer to Schedule 1 of the AMP Regulations) / (Voir l'annexe 1 du Règlement)	Provision and Short-form Description / Disposition et Sommaire
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<i>NEB Processing Plant Regulations / Règlement de l'Office national de l'énergie sur les usines de traitement</i>	
4(1) Failure to ensure that the company's processing plant is designed, constructed, operated or abandoned as prescribed (Type B) / Omission de veiller à ce que l'usine de traitement de la compagnie soit conçue, construite ou exploitée, ou que son exploitation cesse, tel qu'exigé (Type B)	

<input type="checkbox"/>	<i>Contravention of an Order or Decision made under the Act (ss. 2(2) of the AMP Regulations)</i>
<input type="checkbox"/>	<i>Failure to comply with a term or condition of any certificate, licence, permit, leave or exemption granted under the Act (ss. 2(3) of the AMP Regulations)</i>

2. RELEVANT FACTS

Briefly describe reasonable grounds to believe a violation has occurred / Décrire brièvement les motifs raisonnables de croire qu'une infraction a été commise

- On 3-4 September 2014, as part of the NEB's compliance verification activities, a safety inspection was conducted on Westcoast Energy Inc., carrying on business as Spectra Energy Transmission's, (Westcoast) Dawson Creek Gas Plant. The inspection identified non-compliances with ss. 4(1) of the National Energy Board's Processing Plant Regulations (PPR). Subsection 4(1) of the PPR incorporates by reference Canada Occupational Health and Safety Regulations (COHSR) requirements. Specific requirements with respect to inspection, testing and maintenance of equipment are found in subsection 14.20(1) of the COHSR. This non-compliance had the potential to significantly impact worker safety and infrastructure.
- Non-compliance to ss. 4(1) of the National Energy Board's Processing Plant Regulations (PPR) with respect to overhead cranes was observed by NEB Inspection Officers. They were as follows:
 - preoperational inspections were not being conducted.
 - log books were not available for some overhead cranes.
 - training of workers for overhead crane use was not demonstrated.
 - certifications and maintenance for overhead cranes did not appear to be in place.
- At the completion of the inspection, company representatives agreed that all overhead cranes on site were to be locked-out until a third party service provider had inspected them and determined they were fit for use.
- On 11 September 2014, the third party inspection report issued highlighted the following deficiencies: mismatching hoist, trolley and monorail capacities, missing bumpers, crane contact with structural bolts (end stop misplacement) and missing bumpers. Many of the overhead cranes on site were recommended for de-rating and deemed unsafe for use in their current state.

5. On 12 September 2014, in their responses to the cited non-compliances, the NEB Inspection Officer received e-mail confirmation from Westcoast that overhead crane inspections had occurred as directed by a third party. Five cranes were to remain out of service after being deemed "unsafe".

6. Similar Non-Compliances were noted at other Westcoast Facilities:

Between 18 June and 4 October 2014, three additional inspections were conducted of Westcoast. The inspections included both gas plants and processing facilities in northern British Columbia. These inspections identified similar, systemic non-compliances with respect to overhead cranes and material handling equipment resulting in non-compliance to ss. 4(1) of the National Energy Board's Processing Plant Regulations (PPR) with respect to overhead cranes and material handling equipment.

Non-compliances found included:

- mismatching hoist and monorail load capacities;
- missing end stops;
- end stop misplacement allowing potential contact with infrastructure;
- missing capacity markings;
- missing bumpers;
- missing log books notating equipment information; and
- missing use-logs and inspection reports.

7. A prompt response in assessing the potential hazard at other facilities did not occur. A company-wide response was not observed until the fourth inspection conducted on 3-4 October 2014, one hundred and four days after the hazards were first identified.

8. The following is the chronology of inspections:

- 18-19 June 2014: Aitken Creek Gas Plant, British Columbia - overhead cranes were locked-out until formally inspected as a result of the NEB inspection.
- 19-21 August 2014: Fort Nelson North Processing Facility, British Columbia - overhead cranes were locked-out until formally inspected as a result of the inspection. Workers using the overhead cranes required training on safe use. Workers using overhead cranes, forklifts and man-lifts required training on internal procedures. Access and use of overhead cranes were to be restricted to authorized users.
- 3-4 September 2014: Dawson Creek Processing Plant, British Columbia - overhead cranes were removed from service until they had been recertified. Westcoast was directed by NEB inspectors to develop/amend procedures associated with equipment management to ensure compliance by workers, provide evidence of equipment inspection, testing and maintenance of forklifts and overhead cranes.
- 3-4 October 2014: Pine River Gas Plant, British Columbia - overhead cranes had been locked out and removed from service voluntarily on October 1, 2014 until they had been formally inspected. The lockout of the overhead cranes occurred only 2 days prior to NEB inspectors were due to be on site.

9. In summary, the following issues were observed by NEB inspection officers:

- crane rails were not marked for weight capacity;
- inspection records for overhead cranes were not available;
- pre-operational log books assigned to overhead cranes, forklifts and man-lifts had not been completed by workers as required by internal procedures and use of the overhead cranes was not documented;
- Safe work procedures for overhead cranes were not available;
- Training records for all employees using overhead cranes were not available, and there was no control over the operation of the overhead cranes by untrained workers; and
- Commissioning and inspection records for overhead cranes were not available.

10. It does not appear that Westcoast conducted a company-wide hazard assessment of all their facilities as a result of the first inspection at Aitken Creek Gas Plant. Reasonable care was not demonstrated by the company to ensure the safety of workers and infrastructure. A breakdown in management system processes on internal communication, internal reporting of hazards and potential hazards, and the formal identification of hazards resulted in non-compliance with regulatory requirements.

3. PENALTY CALCULATION / CALCUL DES SANCTIONS

(a) BASELINE PENALTY (Gravity Value = 0) / PÉNALITÉ DE BASE (côte de gravité = 0)

Category / Catégorie	(Type A)	Individual / Personne physique	Any Other Person / Autre Personne
		<input type="checkbox"/> \$1,365	<input type="checkbox"/> \$5,025
	(Type B)	<input type="checkbox"/> \$10,000	<input checked="" type="checkbox"/> \$40,000

[Refer to [AMP Regulations](#), Subsection 4(1) / Voir le [Règlement](#), paragraphe 4(1)]

(b) APPLICABLE GRAVITY VALUE / COTE DE GRAVITE GLOBALE APPLICABLES

[Refer to [AMP Regulations](#), Subsection 4(2) / Voir le [Règlement](#), paragraphe 4(2)]

	Mitigating / Atténuer			Aggravating / Aggravantes		
	-2	-1	0	+1	+2	+3
<input type="checkbox"/> Other violations in previous seven (7) years / Autres infractions au cours des sept (7) années précédentes	--	--	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	--
* insert additional information, as required *						
<input type="checkbox"/> Any competitive or economic benefit from violation / Avantages concurrentiels ou économiques découlant de l'infraction	--	--	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	--
* insert additional information, as required *						
<input checked="" type="checkbox"/> Reasonable efforts to mitigate / reverse violation's effect / Efforts raisonnables déployés pour atténuer ou annuler les effets de l'infraction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	--
Company representatives locked out the cranes at the Dawson Creek Gas plant close-out meeting of the inspection on 4 September 2014, which immediately mitigated the risk of harm at that location. However, despite previous findings of similar non-compliances at other facilities (Aitken Creek Gas Plant and Fort Nelson North Processing Facility), the company failed to take preventative action in advance of the NEB inspection at the Dawson Creek location.						
<input checked="" type="checkbox"/> Negligence on part of person who committed violation / Négligence de la part de la personne ayant commis l'infraction	--	--	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	--
The Company failed to effectively train workers in the safe operation and maintenance of overhead cranes as required by the COHSR. Specifically: 1) The company was negligent in ensuring that overhead cranes were inspected as per the manufacturers recommendations or in accordance with company maintenance schedule. The resulting third party inspection resulted in 5 overhead cranes being removed from service permanently for being unsafe for use. 2) The company failed to effectively train workers on internal procedures with respect to conducting pre-operational checks on overhead cranes. 3) The company failed to take reasonable care to ensure safety hazards had been properly identified.						
<input checked="" type="checkbox"/> Reasonable assistance to Board with respect to violation / Collaboration raisonnable avec l'Office en ce qui a trait à l'infraction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	--
Company representatives on site provided full assistance to inspectors, and were compliant in locking out the overhead cranes until they were inspected by a third party. Satisfactory responses to non-compliances were received by the due dates.						
<input type="checkbox"/> Promptly reported violation to Board / Infraction signalée sans délai à l'Office	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	--
* insert additional information, as required *						
<input checked="" type="checkbox"/> Steps taken to prevent reoccurrence of violation / Mesures prises pour prévenir les récidives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	--
The initial inspection identifying the systemic issues was concluded on June 19, 2014. It took until October 1, 2014 for the organization to						

identify similar issues at the fourth regional processing facility. It is unclear whether the safety hazards were addressed across the organization.							
<input type="checkbox"/>	Violation was primarily reporting / record-keeping failure / Infraction reliée principalement à la production de rapports ou à la tenue des dossiers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	--	--	--
* insert additional information, as required *							
<input checked="" type="checkbox"/>	Any aggravating factors in relation to risk of harm to people or environment / Facteurs aggravants pouvant causer du tort au public ou à l'environnement	--	--	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The third party inspection report issued on September 11, 2014 highlighted the seriousness of the deficiencies. It identified mismatching hoist, trolley and monorail capacities, missing bumpers, crane contact with structural bolts (end stop misplacement) and missing bumpers. Many of the overhead cranes on site were recommended for de-rating and deemed unsafe for use in their current state, which speaks to the high degree of risk posed to workers.							
(c) TOTAL GRAVITY VALUE / COTE DE GRAVITÉ GLOBALE							+4
(d) DAILY PENALTY / SANCTIONS QUOTIDIENNES (The baseline penalty, adjusted for the final gravity level) (Pénalité de base d'après la côte de gravité)						\$	88,000
(e) NUMBER OF DAYS OF VIOLATION / DURÉE DE L'INFRACTION (If more than one day, then the justification must be provided.) (Si plus d'une journée, prière de justifier.)							1
Notes to explain decision to apply multiple daily penalties, or "Not Applicable" / Notes pour expliquer la décision d'appliquer des pénalités multiples quotidiennes, ou «sans objet» Not applicable							
4. TOTAL PENALTY AMOUNT / MONTANT TOTAL DE LA PÉNALITÉ						\$	88,000
Note: The total penalty amount shown is based on the period described in Step 1 above. If compliance has not been achieved, a subsequent Notice of Violation may be issued. Le montant total de la pénalité est calculé d'après la période décrite à l'étape 1 ci-dessus. Si la situation n'a pas été rétablie, un autre avis d'infraction pourrait être envoyé.							
5. DUE DATE (30 days from receipt of Notice of Violation) DATE LIMITE (30 jours à compter de la réception de l'Avis d'infraction)							21 February 2015

Notes

You have the right to make a request for a review of the amount of the penalty or the facts of the violation, or both, within 30 days after the Notice of Violation was received.

If you do not pay the penalty nor request a review within the prescribed period, you are considered to have committed the violation and you are liable for the penalty set out in the Notice of Violation. The penalty is due on the date indicated above.

The unpaid penalty amount is a debt due to the Crown and may be recovered by collection procedures stipulated in the [Financial Administration Act](#).

The information regarding the violation may be posted on the NEB website:

- a) 30 days from the date this Notice of Violation was received
- or;
- b) upon issuing a decision following a Request for Review.

To Make Payment:

You may remit your fee payment by Electronic Funds Transfer (EFT) or by cheque payable to the order of Receiver General for Canada.

EFT payments can be arranged by contacting the Director of Financial Services, Monday to Friday, from 09:00 to 16:00 Mountain Time:

Telephone: 403-606-0779 / 800-899-1265

Fax: 403-292-5503 / 877-288-8803

Cheques should be made out to the "Receiver General for Canada" and mailed to:

National Energy Board
Attention: Finance
Centre 10, 517 – 10th Avenue SW
Calgary, Alberta
T2R 0A8

Your completed *Payment* form should be enclosed with your payment.

Vous disposez de 30 jours après la signification de l'Avis d'infraction pour demander une révision du montant de la pénalité, ou les faits rapportés, ou les deux.

Si les sanctions ne sont pas acquittées et qu'aucune révision n'est demandée, vous êtes considérés comme coupable de l'infraction et vous devez payer les sanctions précisées dans l'Avis d'infraction. Les sanctions sont payables à la date indiquée ci-dessus.

Un défaut de paiement constitue une créance envers l'Etat et peut être recouvré en utilisant tous les recours prévus dans la [Loi sur la gestion des finances publiques](#).

L'information concernant l'infraction pourrait également être affichée sur le site Web de l'ONE:

- a) 30 jours après la date de réception de l'Avis;
- b) dès qu'une décision a été rendue à la suite d'une Demande de Révision.

Paiement:

Vous pouvez payer le montant dû par transfert électronique de fonds (TEF) ou par chèque établi à l'ordre du Receveur général du Canada.

Pour se prévaloir du service de transfert électronique, communiquer par téléphone avec le Directeur, Service des finances, du lundi au vendredi, de 9 h à 16 h, heure des Rocheuses :

Telephone: 403-606-0779/ 800-899-1265

Telec. : 403-292-5503/877-288-8803

Les chèques doivent être établis à l'ordre du Receveur général du Canada et postés à l'adresse suivante:

Office national de l'énergie
Service des finances
Centre 10, 517 – 10e Avenue S.-O.
Calgary (Alberta)
T2R 0A8

Le formulaire de *paiement* dûment rempli doit accompagner le paiement.

To Request a Review

Pursuant to the NEB Act, Section 144, you may file a request for a review of this Notice of Violation by the Board.

The date of filing is the date on which the document is received, as indicated by the date on an e-mail submission or the stamped on the document by a NEB employee.

If you elect to make a request for a review, complete and submit the attached *Request for Review* form to:

Administrative Monetary Penalty - Reviews
National Energy Board
Centre 10, 517 – 10th Avenue SW
Calgary, Alberta
T2R 0A8

For more information on reviews, please see the Administrative Monetary Penalties Process Guide available on the NEB's [website](#).

If you have any questions regarding this matter, please contact the undersigned.

Sincerely,

Demander de révision

En vertu de l'article 144 de la Loi sur l'ONE, vous pouvez présenter à l'Office une *Demande de révision* de cet Avis l'infraction.

La date du dépôt correspond à la date de réception du document, qui apparaît sur l'envoi électronique ou le timbre apposé sur le document par un employé de l'ONE.

Si vous voulez demander une révision, veuillez remplir et soumettre le formulaire de Demande de révision à l'adresse suivante :

Sanction administrative pécuniaire - Révision
Office national de l'énergie
Centre 10, 517 – 10e Avenue S.-O.
Calgary (Alberta)
T2R 0A8

Pour de plus amples informations sur le processus de révision, prière de consulter le Guide sur le processus relatif aux sanctions administratives pécuniaires sur le [site Web](#).

Pour toute question à ce sujet, veuillez communiquer avec la personne soussignée.

Sincères salutations,

Robert Steedman

Designated Officer
Administrative Monetary Penalties

Fonctionnaire désigné
Sanctions administratives pécuniaires

403-299-3178