Canada Energy Regulator | Régie de l'énergie du Canada

Administrative Monetary Penalty
Notice of Violation

REFERENCE NUMBER AMP-002-2026

Information for Pipeline Company/Third Party/Individuals

Name:	**Westcoast Energy GP Inc. on behalf of Westcoast Energy Limited Partnership**	**TOTAL PENALTY AMOUNT:** **$ 52,000**
Contact:	Matthew Akman	
Title:	EVP and President of GTM - Accountable Officer	**Date of Notice:** October 19, 2026
Address:	915 N Eldridge Pkwy Houston, Texas 77079	**Regulatory Instrument #:** GC-23
Telephone:		
Email:		

On September 19, 2025,

Westcoast Energy GP Inc. on behalf of Westcoast Energy Limited Partnership

was observed to be in violation of a Canada Energy Regulator regulatory requirement. This violation is subject to an administrative monetary penalty (**AMP**), as outlined below.

Section 1 – Violation Details

☒ **Single-day violation**	**On:** September 19, 2025
☐ **Continuing Violation**	**From**:
Total Number of Days: [#]	**Has compliance been achieved?** ☒ Yes ☐ No ☐ N/A ☐ Ongoing If no, a subsequent NOV may be issued.
Location of Violation:	Westcoast CS8A Kingsvale Compressor Station

Short Form Description of Violation *(Refer to Schedule 1 of the AMP Regulations)*

Failure to ensure that a pipeline is designed, constructed, operated or abandoned as prescribed

Act or Regulation/Section

Canadian Energy Regulator Onshore Pipeline Regulations, subsection 4(2).

☐ Contravention of an order or decision made under the Act (ss. 2(2) of the AMP Regulations)
☐ Failure to comply with a term or condition of any certificate, licence, permit, leave or exemption that is granted under the Act (ss. 2(3) of the AMP Regulations)

Canada

Section 2 – Relevant Facts

Briefly describe reasonable grounds to believe a violation has occurred.

Executive Summary

Westcoast Energy GP Inc. on behalf of Westcoast Energy Limited Partnership **(Westcoast)**[1] was carrying out a pipeline maintenance project (**the Project**) at the Westcoast CS8A Kingsvale Compressor Station (**CS8A**) near Merritt, British Columbia. CS8A is a facility regulated by the Canada Energy Regulator (**CER**) and operated under Certificate of Public Convenience and Necessity GC-23, as amended. The Project involved exposing sections of piping for inspection, non-destructive examination, and recoating. Ground disturbance work associated with the Project was being performed by Westcoast's contractor, Ogilvie Mountain Holdings LP **(OMH)**, within excavation area EX-5/6 (**EX-5/6**) at CS8A.

On September 19, 2025, while using mechanical tools to conduct a ground disturbance activity within EX-5/6 at CS8A, OMH contacted a live buried 2-inch power gas line operating at approximately 500 psi. Although no release of gas occurred, subsequent examination of the damaged pipe confirmed multiple mechanical impact marks on the top half of the pipe consistent with repeated pneumatic tool contact. This event was reported to the CER that same day as a damage to pipe event (**DPR2025-258**).

The CER investigation determined that Westcoast did not effectively implement multiple requirements of its ground disturbance control framework during the planning, authorization, supervision, and execution of the Project work. As a result, mechanical excavation proceeded under conditions that were not consistent with Westcoast's established ground disturbance requirements, and multiple interdependent controls intended to identify hazards, manage excavation risks, and prevent damage to below grade facilities were not effectively implemented during the ground disturbance activities at EX-5/6. Accordingly, Westcoast failed to ensure that the pipeline was operated in accordance with the specifications, programs, manuals, procedures, measures and plans developed and implemented by the company, as required by subsection 4(2) of the *Canadian Energy Regulator Onshore Pipeline Regulations* (**OPR**).

Relevant Facts

During the CER investigation, Westcoast provided documents in response to CER information requests that specifically sought the standards, procedures, permitting processes, requirements, and written safety practices applicable to the ground disturbance work at CS8A and EX-5/6. Westcoast identified the Construction Safety Manual (**CSM**) as governing the permitting and Permit to Work processes, the Ground Disturbance Standard (**GD Standard**) as the standard applicable to Westcoast and OMH at EX-5/6, and the Ground Disturbance Specification (**GD Specification**) as setting out the ground disturbance requirements and written safety practices applicable to the work. By identifying and producing these documents as applicable to the Project work, Westcoast confirmed that they formed part of the manuals, procedures, measures, and plans governing the Project and were components of the ground disturbance control framework that Westcoast was required to implement under subsection 4(2) of the OPR.

[1] For the purposes of this report, "Westcoast" refers to “Westcoast Energy GP Inc. on behalf of Westcoast Energy Limited Partnership” as the certificate holder and regulated pipeline company. Westcoast is also a wholly owned subsidiary of Enbridge Inc. Within this report, references to “Westcoast” or “Westcoast personnel” may include Enbridge-employed personnel assigned to or embedded in Westcoast operations

Identification of Below Grade Facilities
The CSM's Lifesaving Rule for Ground Disturbance requires that buried utilities be verified through surface locating and positively identified before mechanical excavation is conducted. The GD Standard further requires that, prior to initiating any ground disturbance activity requiring mechanical excavation, the locations of all below grade facilities are positively identified.

The CER investigation determined that Westcoast did not ensure that the identification of below grade facilities, as prescribed by the CSM and GD Standard, was implemented at EX-5/6. Prior to the start of ground disturbance within EX-5/6, information about the presence of three below grade power gas lines within EX-5/6 was available through line locate documentation and project records. Despite the availability of this information, Westcoast did not ensure that personnel responsible for planning, supervising, and performing the work effectively reviewed, communicated, or implemented that information. As a result, the 2-inch power gas line was not positively identified before mechanical excavation commenced and was only identified after it was damaged.

Mechanical Clearance Requirements
Section 23 of the GD Standard establishes mechanical clearance requirements to ensure prescribed clearances are maintained. The GD Standard requires that no mechanical excavation occur within 2 ft. (0.6 m) of a below grade facility (the **Tolerance Zone**) unless the prescribed conditions are met, and that mechanical clearance not encroach within 12 inches (30 cm) of a below grade facility.

The CER investigation determined that Westcoast did not ensure that the Tolerance Zone and mechanical clearance requirements prescribed by the GD Standard were implemented at EX-5/6. Mechanical excavation had occurred approximately 22 inches from 42-inch piping and had contacted the adjacent 2-inch power gas line. Contact with the buried 2-inch power gas line establishes that the prescribed 12-inch mechanical clearance required by Section 23 of the GD Standard was not maintained.

Surface Markings
Section 16.5 of the GD Standard requires that below grade facilities be surface marked so that workers know where they are and can carry out ground disturbance work safely. The GD Standard further requires that surface markings be maintained and, where markings become dislodged, worn or unreadable, work must stop until the markings are re-established.

The CER investigation determined that Westcoast did not ensure that surface marking requirements prescribed by section 16.5 of the GD Standard were implemented at EX-5/6. Initial locate markings had been completed prior to excavation at EX-5/6; however, there is no evidence that these markings were re-established or maintained as excavation progressed and conditions changed. Surface marking paint had been disturbed to the extent that the lines were no longer visible in the work area. As a result, ground disturbance proceeded despite the absence of visible and effective surface markings.

Ground Disturbance Package (GD Package)
Section 13.2 of the GD Standard requires that, prior to ground disturbance activities, the Ground Disturber collect and compile the GD Package. The GD Package shall include, where applicable, Line Locate Diagrams and other supporting documentation prescribed by the GD Standard. The GD Standard further requires that all documents within the GD Package be reviewed before ground disturbance activities commence.

The CER investigation determined that Westcoast did not ensure that the GD Package requirements prescribed by Section 13.2 of the GD Standard were implemented at EX-5/6. Although locate documentation had been provided to responsible Westcoast and OMH personnel, the required review and

communication of the Line Locate Diagrams and GD Package were not completed with the personnel directly involved in the ground disturbance activities before the work proceeded.

Ground Disturbance Oversight and Responsibilities
Section 5 of the GD Standard assigns specific responsibilities to Westcoast in relation to ground disturbance activities which include overseeing contractor work and being present for mechanical ground disturbance activities within 16 ft. (5 m) of below grade facilities.

The CER enforcement investigation determined that these responsibilities were not effectively implemented during the excavation activities at EX-5/6. The Westcoast Chief Inspector stated that they directly supervised the excavation activities involving the pneumatic tools for approximately 30 percent of the time those tools were being used. The Chief Inspector also authorized the use of a Field Installation Work Package previously developed for a different work site, EX-2, and directed that pneumatic tools be added to that work package. Westcoast identified deficiencies relating to implementation of Westcoast's responsibilities including inadequate contractor oversight, uncertainty regarding role responsibilities, non-conformance with controls, and failures associated with implementation of ground disturbance requirements during mechanical excavation activities.

Significant Change in Scope
Section 7 of the GD Specification requires ground disturbance activities to be conducted under a GD Permit issued for the specific work area and scope of work. The GD Specification further requires a new GD Permit when there is a significant change to the scope of work.

The CER investigation determined that Westcoast did not ensure that ground disturbance activities were carried out in accordance with its GD Specification. On 19 September 2025, Westcoast issued GD Permit #03195 to OMH, which authorized air-vacuum excavation at EX-5/6. Although a separate Safe Work Permit issued that morning contemplated air chiseling and air hammering, it did not replace or amend the separate GD Permit requirements governing ground disturbance at EX-5/6. When workers conducting air-vacuum excavation in EX-5/6 encountered fillcrete adjacent to 42-inch piping, Westcoast approved a significant change in scope of work from air-vacuum excavation to mechanical excavation. This change was not managed through the ground disturbance processes required by section 7 of the GD Specification. As a result, mechanical excavation proceeded under a GD Permit that no longer reflected the scope of the work being performed.

Implementation of GD Permit Requirements
Section 7 of the GD Specification establishes the requirements governing the ground disturbance permitting process and prescribes activities that must be completed before a GD Permit is issued. The GD Permit documents completion of these activities through verification statements in checklist format that confirm the required conditions have been met prior to the start of ground disturbance activities. The GD Permit serves as the mechanism through which the GD Specification verifies that critical hazard identification, facility identification, worker communication, and review requirements have been completed before work begins. Where these activities have not been completed, the issuance of the permit does not satisfy the requirements prescribed by the GD Specification.

The CER investigation determined that Westcoast did not ensure that the requirements prescribed by the GD Specification for the completion and verification of prerequisite ground disturbance activities were effectively implemented at EX-5/6. GD Permit #03195 that was issued on 19 September 2025 included a checklist of verification statements documenting that specified requirements prescribed by the GD Specification had been completed prior to the commencement of ground disturbance activities.

Several activities documented as complete on GD Permit #03195 had not been completed prior to the start of excavation activities at EX-5/6. These included positive identification of below grade facilities,

review of line locate diagrams before work started, maintenance of surface markings, review of the GD Package with workers directly involved in the ground disturbance activities, and effective identification and communication of hazards associated with ground disturbance near below grade facilities. As a result, GD Permit #03195 documented that prerequisite verification activities had been completed when the underlying requirements prescribed by the GD Specification had not been completed or implemented.

Conclusion

Based on the evidence obtained through CER inspections, interviews, documentation reviews, and follow-up investigation, there are reasonable grounds to believe that Westcoast contravened subsection 4(2) of the OPR by failing to ensure that a pipeline is designed, constructed, operated or abandoned as prescribed.

Westcoast did not ensure that ground disturbance activities at EX-5/6 were carried out in accordance with its CSM, GD Standard, and GD Specification. Mechanical excavation proceeded without positive identification of the buried 2-inch power gas line, locate information and ground disturbance documentation were not effectively reviewed and implemented, surface markings were not maintained, a significant change in scope was not managed through a new GD Permit, and required permit verification activities had not been completed despite being documented as complete.

Collectively, the evidence demonstrates that key components of Westcoast's ground disturbance control framework were not effectively implemented in practice. These failures reflect a breakdown in multiple interdependent ground disturbance processes established by Westcoast. The failures in positive identification of below grade facilities, review and use of ground disturbance information, permit verification, and effective oversight contributed to the conditions in which the 2-inch power gas line was contacted and damaged.

Section 3 – Penalty Calculation

A) Baseline Penalty (Gravity Level = 0) (*Refer to AMP Regulations, Subsection 4(1)*)

Category	Individual	Any Other Person
Type A	☐ $1,365	☐ $5,025
Type B	☐ $10,000	☒ $40,000

B) Applicable Gravity Value (*Refer to AMP Regulations, Subsection 4(2)*)	**Gravity Level**					
	Mitigating			**Aggravating**		
	-2	**-1**	**0**	**+1**	**+2**	**+3**
☒ 1 - Other violations in the previous seven years No previous AMP violations by the person named in this Notice.	--	--	☒	☐	☐	--
☒ 2 - Any competitive or economic benefit derived from the violation N/A	--	--	☒	☐	☐	--

☒ 3 - Reasonable efforts to mitigate or reverse the violation's effect	☐	☒	☐	☐	☐	--

Once damage was discovered, work was stopped, leadership notified, the line isolated, station pressure reduced, and the station safely shut down and depressurized. These were reasonable mitigation measures after discovery of the damage. However, they largely represent expected corrective actions.

☒ 4 - Negligence on the part of the person who committed the violation	--	--	☐	☐	☒	--

Westcoast had established GD procedures and controls and locate information identifying below grade facilities was available. However, reasonable care was not exercised in implementing those controls. Critical locate information was not effectively reviewed or communicated; the 2-inch power gas line was not positively identified before mechanical excavation; surface markings were not maintained in an effective condition; prerequisite permit conditions were documented as verified although the underlying requirements had not been completed; and mechanical excavation proceeded following a significant change in scope without issuance of the required new GD Permit. There were multiple failures of controls directed at the known risk of mechanical excavation near below grade facilities. The evidence demonstrates a significant departure from reasonable care.

☒ 5 - Reasonable assistance provided to the Regulator with respect to the violation	☐	☒	☐	☐	☐	--

Westcoast reported the event (as required), responded to CER information requests, facilitated interviews, provided documentation, and cooperated throughout the investigation. Westcoast was also ordered to conduct an internal investigation that identified corrective and preventative actions as specified by Measure 1 of the IOO. Quarterly progress reports and an implementation plan were also submitted for review as per Measure 2 of the IOO.

☒ 6 - After becoming aware of the violation, promptly reported the violation to the Regulator	☐	☐	☒	☐	☐	--

Reported to CER in a timely manner as required. Prompt reporting is acknowledged but not treated as mitigating because it was required under legislation and regulations.

☒ 7 - Steps taken to prevent recurrence of the violation	☐	☒	☐	☐	☐	--

The Westcoast investigation report provides a review of contributing causes and identifies corrective and preventative actions. There is evidence of planned and implemented corrective measures but those actions do not extend beyond Westcoast operations or represent industry-wide preventative initiatives.

☒ 8 - For Type B violations, whether the violation was primarily a reporting or record-keeping requirement failure	☐	☐	☒	☐	--	--

Not applicable.

☒ 9 - Any other aggravating factors in relation to the risk of harm to people or the environment	--	--	☐	☐	☒	☐

The damaged facility was a live 2-inch power gas line operating at approximately 500 psi. Mechanical excavation resulted in eleven gouges to the line and associated coating damage from repeated pneumatic-tool contact.
Although the damage did not result in a gas release or injury, the event created a significant risk of harm. Potential consequences included gas release, worker injury, ignition, fire, explosion, station disruption, and environmental impacts.
In assessing this criterion, risk is considered based on both the probability and consequence of harm, including harm that could have occurred even where the risk did not materialize. In this case, the mechanical damage to a live, pressurized gas line created the potential for significant consequences.
While the absence of a gas release or injury reduces the realized consequences of the violation, it does not eliminate the significant risk created.

C) Total Gravity Value *(adjustments made for gravity values in B) based on mitigating or aggravating factors*)	**+1**
D) Daily Penalty *(baseline penalty adjusted for the final gravity level)*	**$ 52,000**
E) Continuing Violation *(if more than one day, provide justification)*	**N/A**

Section 4 – Total Penalty Amount

Note: The total penalty amount shown is based on the period described in section one above. If compliance has not been achieved, a subsequent Notice of Violation may be issued.	
Total Penalty Amount:	**$ 52,000**

Section 5 – Due Date *(30 days from receipt of Notice of Violation)*

Due Date: November 18, 2026

Keith Landra		
AMP Officer 403-389-4280	Signature	Date

Designated Officer pursuant to ss. 116(2) of the CER Act

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 served.

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 CER website:

a) 30 days from the date this Notice of Violation was served; 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 Financial Services, Monday to Friday, from 09:00 to 16:00 Mountain Time:

Telephone: 403-404-5527 / 1-800-899-1265
Fax: 403-292-5503 / 1-877-288-8803

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

Canada Energy Regulator
Attention: Accounting and Procurement
210-517 10 Ave SW
Calgary AB T2R 0A8

Your completed *Payment Form* must be enclosed with your payment.