



File OF-Surv-Inc-2013-110
29 January 2014

Mr. Gregory L. Ebel, President
Spectra Energy Transmission,
Fifth Avenue Place, East Tower,
Suite 2600, 425 – 1st St. SW,
Calgary, AB T2P 3L8.
Facsimile 403-699-1585

Dear Mr. Ebel:

Westcoast Energy Inc., carrying on business as Spectra Energy Transmission (Spectra Energy): 21 June 2013 Incident at the Fort Nelson Gas Processing Plant

On 21 June 2013, the Fort Nelson Gas Processing Plant, owned and operated by Spectra Energy, experienced a failure in its natural gas gathering system during start-up after a scheduled maintenance operation. This failure resulted in a flare that exceeded the flare pit's perimeter fence and damaged nearby equipment. It also resulted in an unintended grass fire. Spectra Energy emergency procedures were implemented to extinguish the fires and address the gathering system failure. Notification to the National Energy Board (NEB) occurred on 5 July 2013 only after the NEB became aware of the incident.

The Board considers this event an incident as defined by both the *NEB Onshore Pipeline Regulations* (OPRs) and the *NEB Processing Plant Regulations* (PPRs). As a result, the Board finds Spectra Energy to have been in non-compliance and is concerned that Spectra Energy did not immediately notify the Board of this incident as required by section 52(1) of the OPRs and section 46 of the PPRs.

The Board notes that under the *Administrative Monetary Penalty Regulations (National Energy Board)* which came into force on 3 July 2013, future non-reporting could constitute a violation and result in a penalty of \$100,000 per day for each day the violation continues.

The safety of Canadians and protection of the environment is paramount for the NEB when considering the performance of its regulated companies. The Board holds companies accountable for safety and environmental outcomes and requires regulated companies to anticipate, prevent, mitigate and manage the hazards and risks associated with their operations.

Yours truly,

A handwritten signature in blue ink, appearing to read "K. Young".
Sheri Young
Secretary of the Board.

c.c.: Ms Rachel Kolber Director, Regulatory Affairs, Spectra Energy Transmission West,
BC Pipeline and Field Services Divisions, facsimile 403 619-1585