



File OF-Surv-Inc-2013-110
28 May 2014

Mr. Mark Fiedorek
President
Spectra Energy Transmission West
Suite 2600
425 1st Street SW
Calgary, AB T2P 3L8
Facsimile 403-699-1585

Dear Mr. Fiedorek,

Westcoast Energy Inc., carrying on business as Spectra Energy Transmission (Spectra) Fort Nelson Gas Plant – National Energy Board (Board) Investigation of Incident of 21 June, 2013 filed under File OF-Surv-Inc-2013-110.

On 21 June 2013, Spectra's Fort Nelson Gas Processing Plant (Plant) experienced an unintended gas release and corresponding ignition, the radiant effects of which exceeded the perimeter fence of the Plant's west flare pit (Incident). The Board commenced an investigation into the Incident on 2 July 2013, which remains ongoing. The Board notes that while Spectra responded to the Incident by implementing its emergency procedures to ensure the immediate safety of both its workers and the Plant, it failed to notify the Board about the incident in a timely manner as required by subsection 52(1) of the *National Energy Board Onshore Pipeline Regulations* and section 46 of the *National Energy Board Processing Plant Regulations*. On 29 January 2014, the Board advised Spectra of regulatory non-compliance.

As part of its investigation, the Board anticipated receiving results of a flare pits' modelling assessment to demonstrate the suitability of the flare pits' design, and to establish safe periphery around the flare pits (Modelling Assessment). This was not forthcoming. Spectra asserted that complexity, and the need for quality results delayed a timely response. The Board granted extensions to Spectra's target dates for completion and submission of the Modelling Assessment which was received 25 April 2014. The Board notes that the Modelling Assessment was revised from an earlier modelling assessment that had not been made available by Spectra. Having reviewed the revised Modelling Assessment, the Board is of the view that the information is not adequate to verify the design and safety of the flare pits.

The Board assigns paramount importance to the Plant's safe and secure operation.

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In light of this, and the above, the Board has commenced steps to authorize, pursuant to section 15 of the NEB Act, one of its members (Authorized Member) to join and augment its ongoing investigation. The Authorized Member will take and consider all necessary evidence and information for the purpose of reporting to the Board and recommending any corrective actions the Board should implement to promote to the fullest extent, the safe and secure operation of the Plant and its flare pits including whether to direct a:

- show-cause proceeding where Spectra must demonstrate why the Board should not cease the Plant's operations either in part or in whole;
- order the cessation of the Plant's operation either in part or whole, without commencing such proceeding, and/or;
- order Spectra to reconstruct or alter the Plant or its flare pits, either in part or whole.

In addition to the Plant's safe and secure operation, and in accordance with its 29 January 2014 correspondence to Spectra, the Board assigns equal importance to the timely communication of information that supports this objective. As a result, the Board requires Spectra to provide information and take actions, as outlined in the attached Safety Order SG-W102-003-2014.

Regarding condition 1 of SG-W102-003-2014, and subject to any further direction communicated by the Authorized Member, the Board expects Spectra's consultants who authored the flare pits modelling study to attend the technical meeting scheduled in order to describe the flare pits simulation model in detail, and answer technical questions related to both it and the Report that Spectra has recently provided to the Board.

Yours truly,



Sheri Young
Secretary of the Board

Attachment

c.c.: Mr. Al Ritchie, Vice President, Operations & Engineering - Facsimile 250-262-3410
Ms. Rachel Kolber, Director, Regulatory Affairs - Facsimile 403-699-1585



ORDER SG-W102-003-2014

IN THE MATTER OF the *National Energy Board Act* (NEB Act) and the regulations made thereunder;
and

IN THE MATTER OF the Westcoast Fort Nelson Gas Plant operated by Westcoast Energy Inc., carrying on business as Spectra Energy Transmission (Spectra) Incident of 21 June 2013 filed under File OF-Surv-Inc-2013-110.

BEFORE the National Energy Board 28 May 2014;

WHEREAS the Board regulates the operation of Spectra's Fort Nelson Gas Plant (Plant) in Fort Nelson, British Columbia, under the NEB Act; and the *National Energy Board Processing Plant Regulations* (PPR);

AND WHEREAS section 25 of the PPR requires Spectra to ensure that all pressure-relief piping and systems at the Plant are designed and constructed so that an emergency pressure release does not create a detriment to property or to the environment or a hazard to the safety of persons;

AND WHEREAS on 21 June, 2013 an incident occurred at the Plant involving an unintended release of gas into its west flare pit, the radiant effects of which exceeded its perimeter fence causing damage to adjacent property and the environment (Incident);

AND WHEREAS on 2 July 2013 the Board commenced an investigation of the incident pursuant to section 12 of the NEB Act which is ongoing to promote the safe continuing operation of the Plant;

AND WHEREAS on 29 January 2014, the Board issued correspondence to Spectra regarding its non-compliance with regulatory reporting requirements associated with the Incident;

AND WHEREAS Spectra retained consultants (Consultants) to assess and report on the design suitability of the existing Plant's flare pits, and agreed to share the Consultant's work with the Board;

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AND WHEREAS on 25 April 2014, after repeated delays Spectra submitted a version of the study's report (Report) on the design suitability of the existing Plant's flare pits, thereby sharing the Consultants' work with the Board;

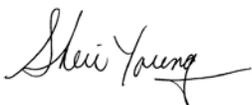
AND WHEREAS as part of its ongoing investigation, the Board has commenced steps to authorize one of its members under section 15 of the NEB Act (Authorized Member) to report to the Board on the Incident and provide recommendations on any corrective actions the Board should implement to address the Incident to promote to the fullest extent, the safe operation of the Plant and its flare pits;

AND WHEREAS pursuant to section 7 of the PPR, the Board may order a company to submit within a specified period a design, specification, program, manual, procedure, measure, plan or document if the Board receives any information that the design or operation of the company's processing plant, or part of it, is or may cause a detriment to property or to the environment or a hazard to the safety of persons;

NOW THEREFORE, pursuant to sections 12 and 48 of the NEB Act, and section 7 of the PPR the Board hereby orders Spectra to:

1. As directed by the Authorized Member, attend any technical or other meeting with the Board's representatives to discuss the Report and results of the study.
2. Provide, within five days of issuance of this Order, copies of Revisions A to E of the Report.
3. Submit to the Board any future revisions of the report issued by the Consultants immediately after receipt by Spectra.

NATIONAL ENERGY BOARD



Sheri Young
Secretary of the Board