



File OF-Fac-Oil-E101-2012-08 02
23 January 2015

Mr. Rob Sihota
Senior Regulatory Advisor
Enbridge Pipelines Inc.
10201 Jasper Ave N.W.
Edmonton, Alberta T5J 3N7
Facsimile 780-420-8749

Dear Mr. Sihota:

**Enbridge Pipelines Inc. (Enbridge)
Edmonton to Hardisty Pipeline Project (Project)
Certificate OC-062 (Certificate)
Application for a Variance of the Certificate to Allow for Modifications to the
Project Specifications, dated 17 October 2014 (Variance Application)**

The National Energy Board (Board) has considered the above-referenced Variance Application from Enbridge, dated 17 October 2014, requesting that the Certificate be varied to allow for modifications to certain Project specifications, including those in respect of pipeline wall thickness and maximum operating pressure.

The Board has concluded that it is in the public interest to authorize the Certificate's variance through the issuance of Amending Order AO-001-OC-062, which would amend the Certificate to reflect the modifications Enbridge references. However, the Board advises that, in accordance with subsection 21(2) of the *National Energy Board Act*, Governor in Council (GIC) approval is required to implement this variance. Should GIC approval be granted, the Board will forward Amending Order AO-001-OC-062 to Enbridge.

While the Board accepts the engineering basis for the changes sought by Enbridge, it notes that the timing of the Variance Application raises compliance concerns. As Enbridge acknowledges, condition 2 of the Certificate requires it to design and construct the Project pipeline "in accordance with the specifications, standards and other information" referred to in its section 52 application. Prior to the Variance Application, from 6 to 10 October 2014, Board inspectors discovered that the Project pipeline was not being built to these specifications, both with respect to wall thickness and maximum operating pressure. In its 17 October 2014 Variance Application, Enbridge admits its non-compliance with the Certificate. As any such non-compliance constitutes a violation under the *Administrative Monetary Penalties Regulations (National Energy Board)*, the Board has referred this matter to the Board's Senior Enforcement Officer for separate review.

Yours truly,

Original signed by L. George for

Sheri Young
Secretary of the Board