



File OF-Surv-Gen-T217 01
10 July 2017

Mr. John Ferris
President and CEO
Trans-Northern Pipelines Inc.
45 Vogell Road, Suite 310
Richmond Hill, ON L4B 3P6
Facsimile 905-770-8675

Dear Mr. Ferris:

Trans-Northern Pipelines Inc. (TNPI) – Application for Variance of Commitment Plan submitted on 11 November 2016

On 24 October 2016, the National Energy Board (Board) issued Amending Safety Order AO-002-SO-T217-03-2010 (Amending Safety Order) to TNPI allowing operation of its pipeline system subject to certain conditions. Condition 7.c. required TNPI to file a Commitment Plan with the Board for approval within 30 days after the issuance of the Amending Safety Order. TNPI was also required, pursuant to Condition 7.d., to file updates to the Commitment Plan with the Board on a quarterly basis.

On 11 November 2016, TNPI filed a revised Commitment Plan in accordance with Condition 7.c., which was approved by the Board on 9 December 2016. TNPI filed an updated Commitment Plan in accordance with Condition 7.d. on 16 February 2017.

The updated Commitment Plan included changes to the Scope of Work for Conditions 2.c., 3.c., and 4.f. that were inconsistent with the Commitment Plan approved by the Board on 9 December 2016. The Board followed up on these inconsistencies with information requests and meetings with TNPI.

On 12 May 2017, TNPI filed an Application for Variance of the Commitment Plan pursuant to subsection 21(1) of the *National Energy Board Act* and Part III of the *National Energy Board Rules of Practice and Procedure*. TNPI requested that the Board vary its 9 December 2016 decision approving the Commitment Plan to permit the use of the following methodologies in the Engineering Assessments to be submitted by TNPI in accordance with Conditions 2.c., 3.c., and 4.f. of the Amending Safety Order:

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- a. deterministic methodology for the assessment of crack and deformation anomalies; and
- b. both deterministic and probabilistic methodologies for the assessment of metal loss anomalies.

Having reviewed the application, the Board is of the view that TNPI has not provided sufficient evidence to support its request for the Board to permit the use of the deterministic methodology only for crack and deformation anomalies. The Board also considers that by using probabilistic methodologies for crack and deformation anomalies, in addition to their use for metal loss, TNPI will achieve more accurate results and provide greater confidence in identifying potential anomalies that could fail in its pipeline system.

TNPI's Application for Variance of the Commitment Plan is therefore denied.

Yours truly,

Original signed by

Sheri Young
Secretary of the Board