



Canada Energy  
Regulator

Régie de l'énergie  
du Canada

Suite 210  
517 Tenth Avenue SW  
Calgary, Alberta  
T2R 0A8

517, Dixième Avenue S.-O.  
bureau 210  
Calgary (Alberta)  
T2R 0A8

File OF-Surv-Gen-T217 01  
11 June 2021

Ms. Gail Sharko  
Manager, Regulatory & External Affairs  
Trans-Northern Pipelines Inc.  
109-5305 McCall Way NE  
Calgary, AB T2E 7N7  
Email [REDACTED]

Mr. Lars Olthafer  
Blake, Cassels & Graydon LLP  
Suite 3500, Bankers Hall East Tower  
855 – 2 Street SW  
Calgary, AB T2P 4J8  
Email [REDACTED]

Dear Ms. Sharko and Mr. Olthafer:

**Trans-Northern Pipelines Inc. (TNPI)**  
**Application dated 13 April 2021 pursuant to section 69 of the *Canadian Energy Regulator Act* (CER Act)**  
**Request for Variance of Conditions 4.a.viii and 5.c**  
**Amending Safety Order AO-001-SO-T217-03-2010, as revised**

On 13 April 2021, the Commission of the Canada Energy Regulator (Commission) received a request from TNPI for variance of Conditions 4.a.viii and 5.c of the Amending Safety Order AO-001-SO-T217-03-2010, as revised (ASO).

The Commission has reviewed the information in the request for variance of the timelines established by Conditions 4.a.viii and 5.c of the ASO.

Pursuant to these Conditions of the ASO, TNPI is currently under an obligation to implement the recommended corrective and preventive measures by 26 June 2021.

The Commission notes that TNPI has been working to implement the outstanding overpressure protection mitigation measures within the pipeline system and apply appropriate engineering controls including the installation of pilot-operated surge relief valves (PO SRVs).

The Commission also notes that TNPI has experienced two reportable overpressure incidents since it has installed the new PO SRVs in its pipeline system. TNPI submitted that based on its investigations of the overpressure incidents it has concluded that the PO SRVs malfunctioned and did not operate as intended to protect the pipeline system against pressure surges. Therefore, TNPI has determined that in order to increase the safety and operational reliability of the pipeline system, nitrogen-loaded surge relief valves (N2 SRVs) should be installed throughout the pipeline system rather than PO SRVs. TNPI also submitted that this will require the conversion of the newly installed PO SRVs at 22 locations out of 28 in the entire pipeline system and the completion of the N2 SRVs installation in the remaining part of the pipeline system.

.../2

The Commission has considered TNPI's statements to convert the installed PO SRVs to N2 SRVs and install N2 SRVs in the remaining part of the pipeline system where PO SRVs were planned but have yet to be installed.

The Commission acknowledges that the process of converting the existing PO SRVs to N2 SRVs and installation in the remaining part of the pipeline system requires a series of actions and, therefore, TNPI would be unable to meet the prescribed timeline of 26 June 2021 for compliance with Conditions 4.a.viii and 5.c requirements.

The Commission is of the view that an extension for the timelines associated with Conditions 4.a.viii and 5.c of the ASO in order to implement the required preventive and mitigative measures including the conversion and installation of the N2 SRVs, is required to ensure the proper operation of the pipeline system and avoid overpressure events.

Therefore, the Commission approves TNPI's request to postpone the requirement to complete and implement the recommended corrective and preventive measures pursuant to Conditions 4.a.viii and 5.c and filing the associated reports for each pipeline section listed in Schedules A, B, C, and D of the ASO, from 26 June 2021 to 31 December 2022, or before.

The Commission reminds TNPI that it must include updates regarding the recommended corrective and preventive measures in the Commitment Plan filings pursuant to Condition 7.d of the ASO. The updates must include detailed information regarding each step of the process for the replacement of the existing PO SRVs and installation of the N2 SRVs. The information must also include a Gantt chart to track each task required for the SRVs replacement process at all 28 locations in the pipeline system.

The Commission also reminds TNPI to take all required measures to ensure the proper operation of the pipeline system and avoid overpressure events until all corrective and preventive measures pursuant to Conditions 4.a.viii and 5.c have been implemented. Finally, the Commission notes that this matter first emerged in 2010 and the same technical issues continue to exist a decade later.

The CER is dedicated to the safety and well-being of its staff, Indigenous communities, the public, and all those with whom we work closely. For more information on how the CER is continuing its regulatory oversight during the COVID-19 pandemic, please refer to the following update issued on 11 December 2020: [www.cer-rec.gc.ca/CovidProcessUpdate](http://www.cer-rec.gc.ca/CovidProcessUpdate).

The CER's preferred filing method is online through its [e-filing tool](#), which provides step-by-step instructions. If unable to file a document online, it may be filed by email to [Secretary@cer-rec.gc.ca](mailto:Secretary@cer-rec.gc.ca).

Yours sincerely,

*Signed by*

Jean-Denis Charlebois  
Secretary of the Commission