



Canada Energy
Regulator

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File OF-Surv-Gen-T217-01
6 September 2022

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

Dear Lars Olthafer:

Trans-Northern Pipelines Inc. (TNPI)
Application dated 30 December 2021 pursuant to Condition 4.f of Amending Safety Order AO-001-SO-T217-03-2010, as amended (ASO), section 69 of the *Canadian Energy Regulator Act (CER Act)*, and Part III of the *National Energy Board Rules of Practice and Procedure, 1995*
Application for Raising of Restricted Maximum Operating Pressure ASO Schedule B, Line 9 – NPS 16 Oakville to Clarkson Loop

Before: K. Penney, Presiding Commissioner; T. Grimoldby, Commissioner; W. Jacknife, Commissioner

On 30 December 2021, the Commission of the Canada Energy Regulator (**Commission**) received an application from TNPI, pursuant to Condition 4.f of the ASO, to raise the restricted maximum operating pressure (**MOP**) for Line 9 in Schedule B of the ASO (the **Oakville to Clarkson Loop**) for a return to service at the authorized MOP and to vary the ASO, pursuant to section 69 of the CER Act, to remove that line segment from the ASO.

The approved MOP is 9067 kPa and the restricted MOP is 6347 kPa.

For the reasons set out below, the Commission has decided to approve TNPI's application, subject to the condition set out in the attached amending order.

Application to raise the restricted MOP, pursuant to condition 4.f of the ASO

The Commission grants TNPI's application to raise the restricted MOP for the Oakville to Clarkson Loop, on the basis that it has met the ASO Condition 4.f requirements.

At the time of the application, Condition 4.f stated:

- f. TNPI shall, at least 45 days prior to any request to raise the restricted MOP of any pipeline or section of the pipeline, file a request with the Board for approval with information that includes, but is not limited to:
 - i. Information demonstrating that TNPI has implemented Conditions 4.a to 4.e of this Order;

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- ii. Evidence that, as a result of lifting the pressure restriction, the integrity condition on the pipeline or section of pipeline will not be negatively affected within 36 months after the date of the return to service application;
- iii. An Engineering Assessment prepared in accordance with CSA Z662-15 Clause 10.1 that demonstrates that the pipeline or section of pipeline is safe to operate at its maximum operating pressure. The Engineering Assessment must include, but not be limited to, the following items:
 - 1. A Risk Assessment guided by CSA Z662 Annex B including guidelines for documented reporting by CSA Z662 Annex B Clause B.6;
 - 2. An imperfection assessment including, but not be limited to, pressure cycling, tool validation (Probability of Detection, Probability of Identification, and Sizing Accuracy), representative material properties, defect interaction, time-to-failure calculations, Safety Factor targets, revised defect growth rates and Probability of Exceedance; and
 - 3. Required mitigative, preventive and monitoring measures.
 - 4. A schedule for implementation of all mitigation, preventive and monitoring programs identified in Condition 4.f.iii.3.

On 8 June 2022, the Commission varied the wording of Condition 4.f to more clearly reflect its intent. The revised wording did not change the Condition 4.f requirements.

With respect to Condition 4.f.i, the Commission finds that TNPI provided sufficient information to demonstrate that it has implemented Conditions 4.a to 4.e of the ASO as they pertain to the Oakville to Clarkson Loop. TNPI provided a summary of the documentation that it submitted prior to this application to meet the requirements of Conditions 4.a to 4.e, which the Commission or its predecessor, the National Energy Board, considered and, where appropriate, approved.

TNPI submitted an engineering assessment to meet the Condition 4.f.iii requirements and stated that it also provides evidence to meet the requirements of Condition 4.f.ii. The Commission finds that TNPI has met the requirements of Condition 4.f.ii.

The engineering assessment concluded that the integrity condition of the Oakville to Clarkson Loop will not be negatively affected within 36 months of the date of TNPI's application, subject to timely mitigation of two crack anomalies, which were determined to have predicted failure pressure dates beyond 36 months after the date of the application (i.e., June 2025 and October 2025). For these two crack anomalies, the engineering assessment recommended excavation, assessment, and repair, as necessary, or re-inspection of the pipeline, prior to June 2023 and October 2023, respectively. TNPI committed to repair these crack anomalies prior to October 2023. The Commission finds that these anomalies must be repaired, as recommended in Table 15 of the engineering assessment, prior to June 2023 and October 2023, respectively.

The Commission finds that the engineering assessment meets the requirements of Condition 4.f.iii. The Commission notes that this condition requires the engineering assessment to be prepared in accordance with CSA Z662-15 Clause 10.1 and that a new edition of CSA Z662 came into force on 19 June 2019. The Commission further notes that the engineering assessment used the more stringent requirements of CSA Z662-19 where they exceeded those of CSA Z662-15. The Commission is satisfied that the engineering assessment includes all of the information required by Condition 4.f.iii and demonstrates that the Oakville to Clarkson Loop is safe to operate at the requested MOP, subject to timely repair of the two crack anomalies.

Application to vary the ASO to remove the Oakville to Clarkson Loop from Schedule B, pursuant to section 69 of the CER Act

The Commission grants TNPI's request to vary the ASO to remove the Oakville to Clarkson Loop from Schedule B.

Subsection 69(1) of the CER Act provides that the Commission may review, vary, or rescind any decision or order it makes. There is no automatic right of review; rather, the Commission has a discretionary power to review its decisions, which it must exercise sparingly and with caution.¹

The Commission considers applications for review through a two-step process.² In the first step, the Commission considers whether the applicant has raised a doubt as to the correctness of the decision based on an error of law or jurisdiction, changed circumstances or new facts that have arisen since the close of the original proceeding, or facts that were not placed in evidence in the original proceeding and that were then not discoverable by reasonable diligence.³ The application must also include the nature of the prejudice or damage that has resulted or will result from the decision or order.⁴ If the Commission finds that the applicant has met the first step, then it will proceed to the second step and review the decision on its merits.

The Commission finds that TNPI has met the first part of the test on the basis that the information TNPI provided to meet the Condition 4.f requirements of the ASO demonstrate a change in circumstances for the Oakville to Clarkson Loop relative to those that existed at the time that it was listed in Schedule B.

The Commission further finds that TNPI would be prejudiced if the ASO was not varied to remove the Oakville to Clarkson Loop from Schedule B, because condition 2 of the ASO requires TNPI to operate the pipelines and pipeline segments listed in Schedule B at 70 per cent of their approved MOPs, such that TNPI would be required to operate the Oakville to Clarkson Loop at 70 per cent of its newly approved MOP. Given that the Commission has approved TNPI to operate the Oakville to Clarkson Loop at the requested MOP, based on TNPI's demonstration that it is safe to do so, subject to the timely repair of two crack anomalies, there is no reason for the ASO to continue to apply to the Oakville to Clarkson Loop.

Accordingly, the Commission has decided to grant TNPI's request to vary the ASO to remove the Oakville to Clarkson Loop from Schedule B, subject to the condition set out in attached Amending Order AO-006-SO-T217-03-2010.

¹ [Filing Manual](#), Guide O at page 50-2; MH-052-2018, Trans Mountain Expansion Project (TMEP) (Reconsideration), NEB Ruling No. 22 at page 3 ([A96969](#)); GH-002-2017, NOVA Gas Transmission Ltd. Application for the Sunde Crossover Project, NEB Ruling No. 3 at page 3 ([A87308](#)); MH-023-2020, TMEP detailed route hearing, Commission ruling at page 6 ([C07025](#)).

² *National Energy Board Rules of Practice and Procedure*, 1995, Part III.

³ *National Energy Board Rules of Practice and Procedure*, 1995, para 44(2)(b).

⁴ *National Energy Board Rules of Practice and Procedure*, 1995, para 44(2)(c).

Yours sincerely,

Signed by

Ramona Sladic
Secretary of the Commission

Attachment



ORDER AO-006-SO-T217-03-2010

IN THE MATTER OF the *Canadian Energy Regulator Act* (**CER Act**) and the regulations made thereunder; and

IN THE MATTER OF an application made by Trans-Northern Pipelines Inc. (**TNPI**), pursuant to section 69 of the CER Act, dated 30 December 2021, filed with the Canada Energy Regulator (**CER**) under File OF-Surv-Gen-T217 01.

BEFORE the Commission of the CER (**Commission**) on 6 September 2022.

WHEREAS the CER regulates the construction and operation of the TNPI pipeline system;

AND WHEREAS on 20 September 2016, the National Energy Board issued a letter decision and Amending Safety Order AO-001-SO-T217-03-2010, which it amended on 24 October 2016 and 11 April 2017, and the Commission further amended on 17 July 2020 and 8 June 2022;

AND WHEREAS the Commission received an application from TNPI, dated 30 December 2021, to:

- a) raise the restricted maximum operating pressure (**MOP**) for the NPS 16 Oakville to Clarkson Loop for a return to service at its authorized MOP, in accordance with condition 4.f of Amending Safety Order AO-001-SO-T217-03-2010, as amended; and
- b) vary Amending Safety Order AO-001-SO-T217-03-2010, as amended, to remove the NPS 16 Oakville to Clarkson Loop, pursuant to section 69 of the CER Act;

AND WHEREAS on 6 September 2022, the Commission approved TNPI's application to raise the restricted MOP to 9067 kPa for the NPS 16 Oakville to Clarkson Loop;

AND WHEREAS on 6 September 2022, the Commission granted TNPI's request to vary Amending Safety Order AO-001-SO-T217-03-2010, as amended;

AND WHEREAS Amending Safety Order AO-001-SO-T217-03-2010, as amended, remains in force and is further amended by this Amending Order;

IT IS ORDERED that, pursuant to subsection 69(1) of the CER Act, Amending Safety Order AO-001-SO-T217-03-2010, as amended, is varied by deleting Line 9 in Schedule B to remove the NPS 16 Oakville to Clarkson Loop, subject to the following condition. The varied Schedule B is attached to this Amending Order.

1. TNPI shall repair, and report to the Commission that it has completed the repairs of, weld anomalies Feature/Marker ID 002-002548 and Feature/Marker ID 006-001876 for the Oakville to Clarkson Loop, as listed in Table 15 of the engineering assessment attached to TNPI's application, by the following dates:

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- a. For weld anomaly Feature/Marker ID 002-002548: 30 September 2023; and
- b. For weld anomaly Feature/Marker ID 006-001876: 31 May 2023.

THE COMMISSION OF THE CANADA ENERGY REGULATOR

Signed by

Ramona Sladic
Secretary of the Commission

SCHEDULE B**Order AO-006-SO-T217-03-2010****Trans-Northern Pipelines Inc.****Variation to Amending Safety Order AO-001-SO-T217-03-2010, as amended****Schedule B – Pressure Reduction of 30% of Approved MOP (as Specified)**

Line Number	Line Section	Outside Diameter (mm)	Wall Thickness (mm)	Approved MOP (KPa)	Reduced MOP (KPa) (70% MOP)
1	NPS 10 Montreal to Ste Rose	273.1	7.8	8275	5793
2	NPS 10 Dorval Lateral	273.1	6.35	9653	6757
3	NPS 10 Farran's Point to Cummer Junction	273.1	7.8	8275	5793
4	NPS 10 Cummer Junction to Oakville	273.1	7.8	8275	5793
5	NPS 16 Nanticoke to Hamilton	406	6.35, 7.14	8094, 9067	5665, 6347
6	NPS 10 Hamilton Junction to Oakville	273.1	7.8	9067, 8860	6347, 6202
7	NPS 10 Clarkson Lateral	273.1	7.8	8275	5793
8	NPS 20 Clarkson Junction to Toronto Airport Loop	508	7.14	8274	5793
9	NPS 16 Oakville to Clarkson Loop	406	7.14	9067	6347
10	NPS 10 Toronto Airport Lateral	273.1	6.35	8894	6226
11	NPS 8 CAFAS Lateral	219.1	6.35	6412	4488
12	NPS 10 Montreal Feeder System	273.1			70% MOP