



INSPECTION OFFICER ORDER NO. VS – 002 – 2025

IN THE MATTER OF THE CANADIAN ENERGY REGULATOR ACT, AN ORDER UNDER SECTION 109

Michels Canada is a Company conducting ground disturbance activities located near Pink Mountain, British Columbia.

The undersigned Canada Energy Regulator Inspection Officer conducted an incident follow-up to INC2025-096 and compliance verification activity (CV2526-342) at Westcoast Energy Inc. (Westcoast) Aitken Creek Pipeline Loop near Pink Mountain, British Columbia.

RELEVANT FACTS

The following are the relevant facts relating to the issuance of this Order:

1. CER Inspection Officers were notified of possible damage to pipe to a 400 mm (16-inch) nominal pipe size (NPS) at the Aitken Creek Pipeline in the vicinity of Blair Creek. Approximately 25 workers were reported to be present at the work location where an observation hole was being excavated to aid ongoing Direct Pipe Installation. Some of the workers involved reported smell of hydrocarbons or gas-like odours on site which prompted site evacuation. CER Inspection Officers then conducted interviews to determine the facts, as stated below.
2. A live 300 mm (12-inch) and 400 mm (16-inch) pipeline were located and marked along the full length of the right-of-way (RoW), each requiring a crossing by the tunnel boring machine (TBM) during the Direct Pipe Installation (DPI). At the incident location, the locate markings for the 400 mm (16-inch) pipeline were observed to be aligned immediately upstream and downstream of the affected area. A survey stake had been placed to indicate the approximate point where the 400 mm (16-inch) pipeline intersected with the planned drill path. Another survey stake was placed approximately 2 meters from the interstation point to mark the location of a planned observation hole. Given the pipe depth and sloughing caused by soil conditions, the observation hole could not be reliably maintained.
3. On 15 November 2021, a steel flume was installed within the observation hole to verify the TBM depth along the drill path. The near wall of the flume was positioned approximately 1.65 m from the survey stake on the drill side.
4. The decision to install a steel flume in the observation hole was reached by consensus between Michels (Foreman and Superintendent) and Westcoast (Chief Inspector and Inspector), following unsuccessful attempts to maintain the hole using

standard hydrovacing and a corrugated culvert. A ground disturbance permit authorizing the installation of the steel flume was issued by the Enbridge Inspector on the day of the event.

5. The ground disturbance permit showed that the 400 mm (16-inch) OD pipeline had been positively identified, however that had been done several days earlier and the backfilled site hole for the 16-inch pipe was not distinguishable from other backfilled ground disturbances in the immediate area. Michels had not positively identified the 400 mm (16-inch) pipeline in the incident area when receiving this permit.
6. Inspection Officers were informed that the intersection marker was placed upon request by Michels supervision. The intersection marker was placed under the presumption that positive identification would be performed; however, no positive identification occurred. The intersection point marker was an approximation based on a reference drawing.
7. Westcoast required Michels to adhere to Ground Disturbance standard (DP-50.401) which requires the ground disturber to positively identify below grade utilities through various methods. Michels had positively identified the 400 mm (16-inch) pipeline at another location along the ROW. However, the pipeline was not positively identified in proximity to the incident location.
8. The approximation made in staking the intersection marker was not clarified to the crew on site. Michels did not follow the safety practices on alternate methods of positive identification or did not provide information on the significance of the markings to the workers involved in the ground disturbance on the day of the event. As a result, Michels Canada did not fulfil requirements of DPR-A, Section 10(1)(c) and DPR-O Section 6(1)(a) and (c).

MEASURES TO BE TAKEN

Based on the facts referenced herein, where the Inspection Officer has reasonable grounds to believe that there is or is likely to be a contravention of Parts 2 to 5 or section 335 of the CER Act, or for a purpose referred to in subsection 102(2) CER Act, the Inspection Officer may, by Order, direct a person to

- a. stop doing something that is in contravention of Parts 2 to 5 or section 335 or cause it to be stopped;*
- b. take any measure that is necessary in order to comply with Parts 2 to 5 or section 335 or mitigate the effects of non-compliance;*
- c. stop doing something that may cause a hazard to the safety or security of persons, or damage to property or the environment or cause it to be stopped; or*
- d. take any measure that is necessary to prevent or mitigate the hazard to the safety or security of persons or damage to property or the environment.*

Michels Canada is ORDERED pursuant to subsections 109(1) and 109(2) of the CER Act to:

- Take measures specified below under Specified Measures as per paragraphs (b) and (d) above
- Stop doing something as specified below under Specified Measures as per paragraphs (a) and (c) above
- Suspend work associated with a facility, including a regulated facility, abandoned facility or ground disturbance, until the hazardous or detrimental situation has been remedied to the satisfaction of an Inspection Officer or until this order is stayed or rescinded.

SPECIFIED MEASURES

Specified measures:

1. Ensure that the process for alternate methods of identifying a pipeline, and process for communication of surface markings with field workers involved in ground disturbance activities are effectively implemented.
2. Submit to the Inspection Officer, for approval, a written investigation report, and an implementation plan for corrective and preventive actions within 60 days. The plan must address, at minimum, risk assessment for excavation practices within 3 meters of a pipeline, competency in selecting the excavation practices, training, communication, and practices that reinforce enabling stop work authority.


EFFECTIVE DATE OF THE ORDER

This Inspection Officer Order takes effect immediately on 05 December 2025 at the time of delivery of this Order to the Company to whom it is directed. Nothing in this Order shall be construed as reducing, increasing, or otherwise affecting what may be required of the Company to whom it is directed to comply with all applicable legislative or legal requirements.

COMPLIANCE WITH THIS INSPECTION OFFICER ORDER IS MANDATORY

Failure to comply with an Inspection Officer Order issued under section 109 of the CER Act is an offence under section 112 of the CER Act.

Inspection Officer	05 December 2025
	Date

		
	IO Designation Number	Signature
	210-517 10 Ave SW, Calgary AB T2R 0A8	

Please note that:

- 1. In compliance with the CER's Enforcement Policy, this Order will be posted on the CER's website.*
- 2. All submissions made to the CER in response to this Order must be provided to the Inspection Officer by email or mail and must clearly identify the specific measure to which the submission relates.*