



File OF-Fac-NOMA-T201-2011-01 01  
8 September 2011

Mr. Murray Sondergard  
Regulatory Services, Law & Regulatory Affairs  
TransCanada PipeLines Limited  
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Calgary, AB T2P 5H1  
Facsimile 403-920-2347

Dear Mr. Sondergard:

**Trans Québec & Maritimes Pipelines Inc. (TQM)  
Class Location Changes**

On 4 April 2011, TransCanada PipeLines Limited (TransCanada), on behalf of TQM, notified the National Energy Board (the Board) that it would be carrying out mitigative work on the TQM pipeline due to class location changes. In its letter, TransCanada indicated it expected to begin the installation of concrete slabs and a series of planned investigative digs on 1 June 2011. The investigative digs were to be conducted where anomalies had been detected by a 2010 in-line inspection in the proximity of tape coated girth welds on Line 2000. The purpose of these investigative digs was to verify the surface preparation at the tape wrap, the condition of the tape coating, and determine whether stress corrosion cracking (SCC) is present.

On 5 July 2011, as part of an Information Request (IR) package issued to TransCanada, the Board requested the submission of the results of the investigative digs. In the correspondence, dated 21 July and 28 July 2011, TransCanada informed the Board of its decision to postpone the mitigative actions and investigative digs until the Board had completed its review of TransCanada's plan to deal with the class location change. Thus, the results of the investigative digs were not submitted to the Board.

The Board is of the view that the results of the investigative digs comprise an essential component in determining if the pipeline sections at the class location change sites are satisfactory for the higher class location. The Board has therefore determined that further information and actions are required pursuant to sections 5, 8 and 42 of the *Onshore Pipeline Regulations, 1999*.

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As a result, the Board has issued Order SG-T201-002-2011, pursuant to sections 12 and 48 of the *National Energy Board Act*, directing TransCanada to conduct digs to investigate the possible presence of SCC in proximity of girth welds on Line 2000 of the TQM pipeline system. These investigative digs shall be done at nine sites located on Line 2000 as outlined in the TQM Project Update filing dated 21 July 2011. The Order further requires TransCanada to file the results of the investigative digs with the Board.

The Board also imposes a precautionary reduced operating pressure for the three class location change sites on TQM's Line 2000, calculated per CSA Z662-11 for class location designation 3 and accounting for the current condition of the line. Once the results of the investigative digs have been submitted to the Board, TransCanada may apply to have the pressure reductions altered or lifted.

On 30 March 2011, TransCanada responded to the Board's IR regarding the implications of a pressure reduction at the class location change sites. In this communication, TransCanada notified the Board that until implementation of TransCanada's planned mitigation in the third quarter of 2011, prevention of mechanical damage will be achieved by the on-going weekly aerial surveillance and the enhanced Integrated Public Awareness (IPA) program currently being implemented on the system.

The Board expects TransCanada will keep affected stakeholders informed of the class location changes and related developments through its existing ongoing IPA program. The Board also expects TransCanada will continue to apply its enhanced IPA program and Right-Of-Way surveillance to prevent any mechanical damage to the pipeline.

If you have any questions concerning this matter, please contact Patrick Smyth, Business Leader, Operations at (403) 221-3014.

Yours truly,

A handwritten signature in cursive script that reads "AnneMarie Erickson".

Anne-Marie Erickson  
Secretary of the Board



**ORDER SG-T201-002-2011**

**IN THE MATTER OF** the *National Energy Board Act* (the Act) and the regulations made thereunder; and

**IN THE MATTER OF** changes in class location which have occurred on the Trans Québec and Maritimes Pipelines Inc. (TQM) system, National Energy Board file OF-Fac-NOMA-T201-2011-01 01.

**BEFORE** the Board on 1 September 2011.

**WHEREAS** the Board regulates the operation of the TQM system on which changes in class location designation from 2 to 3 have occurred;

**AND WHEREAS** TransCanada PipeLines Limited (TransCanada) operates the TQM system;

**AND WHEREAS** TransCanada filed an engineering assessment dated 21 April 2011 on behalf of TQM, proposing mitigative work for the changes in class location (the Project);

**AND WHEREAS** TransCanada filed an update for the proposed Project dated 21 July 2011;

**AND WHEREAS** TransCanada filed responses to the Board's Information Request No.1 dated 28 July 2011;

**AND WHEREAS** the Board has determined that it is necessary to acquire additional information on the condition of TQM Line 2000 and to impose interim precautionary measures;

**NOW THEREFORE**, pursuant to sections 12 and 48 of the Act, the Board hereby orders the following:

1. Upon receipt of this Order, TransCanada shall conduct digs for the purpose of verifying the surface preparation at the tape wrap, the condition of the tape coating, and determine whether stress corrosion cracking (SCC) is present in proximity to the girth welds on Line 2000 of the TQM pipeline system. These investigative digs shall be conducted at the nine sites located on Line 2000 of the TQM pipeline system as outlined in the TransCanada filing dated 21 July 2011 regarding TQM's Project Update.
2. Upon receipt of this Order, TransCanada shall advise the Board of its schedule for conducting the investigative digs set out in Paragraph 1.

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3. TransCanada shall submit the results of the investigative digs set out in Paragraph 1 no later than 7 October 2011 and shall immediately notify the Board in the event that SCC is discovered at any of the investigative dig sites.
4. Within 5 days of this Order, TransCanada shall notify the Board that the operating pressures on TQM Line 2000 at the class location change sites have been lowered to meet the CSA Z662-11 requirements for class location designation 3. In addition, at no point within the class location change sites shall the pressure be higher than 90% of the highest operating pressure experienced in the 60 days prior to the date of the Order.
5. Following the submission of the results of the investigative digs, TransCanada may submit a written request to the Board to alter or lift the pressure reductions set out in Paragraph 4.

NATIONAL ENERGY BOARD



Anne-Marie Erickson  
Secretary of the Board