

National Energy
Board



Office national
de l'énergie

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20 December 2013

Mr. Russell K. Girling,
President and Chief Executive Officer,
TransCanada PipeLines Limited
450– 1st Street SW
Calgary, AB T2P 5H1
Facsimile 403-920-2200

Dear Mr. Girling:

**Nova Gas Transmission Ltd.
NPS 8 Mitsue Lateral and NPS 6 Ukaltal Lateral - Gas Leaks
Order SG-N081-004-2013 and Order SG-N081-005-2013**

TransCanada PipeLines Limited (TransCanada) reported two leaks of sweet natural gas on the NPS 8 Mitsue Lateral of the Nova Gas Transmission Ltd. (NGTL) system on 26 September and 6 October 2013. TransCanada reported a separate leak of sweet natural gas on the NPS 6 Ukalta Lateral of the NGTL system on 28 September 2013. TransCanada has since replaced the joints containing the leak sites.

The safe and secure operation of pipeline infrastructure is of paramount importance to the Board. The Board has issued **Order SG-N081-004-2013** (Safety Order 1) and **Order SG-N081-005-2013** (Safety Order 2) for all sections of the pipelines referenced above, pursuant to sections 12 and 48 of the *National Energy Board Act*, which outlines the Board's precautionary measures and the terms and conditions on which TransCanada may request a revision or lifting of the pressure restriction.

The attached Safety Order 1 directs TransCanada to operate the NPS 8 Mitsue Lateral at an operating pressure not exceeding 4150 kPa and maintain weekly above-ground leak detection surveys which are already in place. The attached Safety Order 2 directs TransCanada to operate the NPS 6 Ukalta Lateral at an operating pressure not exceeding 6570 kPa and implement weekly above-ground leak detection surveys.

These pressure restrictions will remain in effect until Condition 5 of the Safety Orders has been fulfilled. The Board must be satisfied that each pipeline can be operated safely at an increased pressure and in a manner that protects people and the environment.

Yours truly,

A handwritten signature in black ink that reads "Sheri Young". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Sheri Young
Secretary of the Board

cc: Declan Russell, TransCanada PipeLines Limited



ORDER SG-N081-004-2013

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

IN THE MATTER OF the 26 September 2013 and 6 October 2013 incidents 2013-139 and 2013-142, which occurred on the NPS 8 Mitsue Lateral, Nova Gas Transmission Ltd. and filed with the National Energy Board (Board) under File OF-Surv-Inc-2013-139 and OF-Surv-Inc-2013-142 respectively.

BEFORE the Board on 19 December 2013.

WHEREAS the Board regulates the operation of the natural gas pipeline system owned and operated by Nova Gas Transmission Ltd. (NGTL) pursuant to Certificate GC-113 including, as part of that system, the NPS 8 Mitsue Lateral (Mitsue Lateral);

AND WHEREAS NGTL is a wholly owned subsidiary of TransCanada PipeLines Limited (TransCanada), and NGTL is the owner of the Alberta System facilities;

AND WHEREAS TransCanada is required to comply, or cause NGTL to comply, with all the conditions contained in Certificate GC-113, pursuant to section 1 of Certificate GC-113;

AND WHEREAS TransCanada incurred two leaks on its Mitsue Lateral on 26 September 2013 and 6 October 2013;

AND WHEREAS after the leaks were detected, TransCanada reduced the operating pressure of the Mitsue Lateral and implemented weekly above ground leak detection surveys;

AND WHEREAS the Board is of the view that precautionary measures are necessary for public safety and protection of the environment;

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

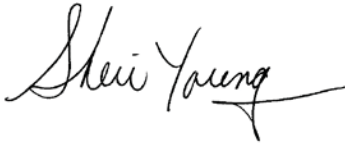
1. TransCanada shall operate the Mitsue Lateral at an operating pressure not exceeding 4150 kPa (Pressure Restriction) until such time as the Board approves an increase in operating pressure.

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2. No later than 31 December 2013, TransCanada shall file with the Board written confirmation that it has implemented the Pressure Restriction. The written confirmation shall include confirmation that both the local and the control centre set-points for shutdown and control of the operation and isolation valves have been adjusted according to CSA Z662-11 Clauses 4.18 and 10.9.5 to reflect the Pressure Restriction.
3. No later than 31 December 2013, TransCanada shall file with the Board written confirmation that weekly above ground leak detection surveys will be performed until all remaining features are repaired as per Condition 5 of this Order.
4. Within 30 days after the date of this order, TransCanada shall file with the Board a corrosion condition monitoring plan specific to the Mitsue Lateral. The plan shall include, but not be limited to TransCanada's planned monitoring activities and rationale for selecting the activities.
5. TransCanada shall, at least 30 days prior to a planned increase in operating pressure of the Mitsue Lateral, file with the Board a written request seeking approval to increase the operating pressure set out in Condition 1 of this Order. The request shall include an engineering assessment as per CSA Z662-11 Clause 3.3 and shall also include the following information:
 - a. The results of the findings on the "uncommon" signal response of the 28 July 2013 Magnetic Flux Leakage (MFL) In-line inspection (ILI) tool run. The results shall include, but not limited to, interpretation of the signal (e.g. internal corrosion, pitting) and any additional mitigation measures put in place based on the interpretation of the signal.
 - b. 28 July 2013 MFL ILI tool validation results in the form of a unity plot with a supporting table comparing ILI tool data with field obtained data;
 - c. A list of features that are identified to be repair per CSA Z662-11 Clause 10.10.2, features on the list TransCanada repaired and TransCanada's rationale for not repairing any feature in the list; and
 - d. A revised corrosion condition monitoring plan specific to the Mitsue Lateral. The plan shall include, but not be limited to, TransCanada's planned monitoring activities and rationale for selecting the activities.

6. If TransCanada derates the operating pressure set out in Condition 1 due to a pipeline integrity related issue, TransCanada shall notify the Board within 2 days of the derating. The notice shall include the rationale for reducing the pressure.

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Sheri Young
Secretary of the Board



ORDER SG-N081-005-2013

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

IN THE MATTER OF the 28 September 2013 incident 2013-141, which occurred on the NPS 6 Ukalta Lateral, Nova Gas Transmission Ltd. and filed with the National Energy Board (Board) under File OF-Surv-Inc-2013-141.

BEFORE the Board on 19 December 2013.

WHEREAS the Board regulates the operation of the natural gas pipeline system owned and operated by Nova Gas Transmission Ltd. (NGTL) pursuant to Certificate GC-113 including, as part of that system, the NPS 6 Ukalta Lateral (Ukalta Lateral);

AND WHEREAS NGTL is a wholly owned subsidiary of TransCanada PipeLines Limited (TransCanada), and NGTL is the owner of the Alberta System facilities;

AND WHEREAS TransCanada is required to comply, or cause NGTL to comply, with all the conditions contained in Certificate GC-113, pursuant to section 1 of Certificate GC-113;

AND WHEREAS TransCanada incurred a leak on its Ukalta Lateral on 28 September 2013;

AND WHEREAS after the leak was detected, TransCanada reduced the operating pressure of the Ukalta Lateral and implemented monthly above ground leak detection surveys;

AND WHEREAS TransCanada is currently unable to inspect the Ukalta Lateral by inline inspection;

AND WHEREAS the Board is of the view that precautionary measures are necessary for public safety and protection of the environment;

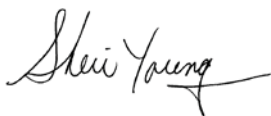
NOW THEREFORE, pursuant to sections 12 and 48 of the Act, the Board hereby orders the following safety measures:

1. TransCanada shall operate the Ukalta Lateral at an operating pressure not exceeding 6570 kPa (Pressure Restriction) until such time as the Board approves an increase in operating pressure.

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2. No later than 31 December 2013, TransCanada shall file with the Board written confirmation that it has implemented the Pressure Restriction. The written confirmation shall include confirmation that both the local and the control centre set-points for shutdown and control of the operation and isolation valves have been adjusted according to CSA Z662-11 Clauses 4.18 and 10.9.5 to reflect the Pressure Restriction.
3. No later than 31 December 2013, TransCanada shall file with the Board written confirmation that weekly above ground leak detection surveys will be performed until all remaining features are repaired as per Condition 5 of this Order.
4. Within 30 days after the date of this order, TransCanada shall file with the Board a corrosion condition monitoring plan specific to the Ukalta Lateral. The plan shall include, but not be limited to, TransCanada's planned monitoring activities and rationale for selecting the activities.
5. TransCanada shall, at least 30 days prior to a planned increase in operating pressure of the Ukalta Lateral, file with the Board a written request seeking approval to increase the operating pressure set out in Condition 1 of this Order. The request shall include an engineering assessment as per CSA Z662-11 Clause 3.3 and shall also include the following information:
 - a. A description of an inline inspection (ILI) tool that was used to inspect the lateral;
 - b. Tool validation results for the selected ILI tool, in the form of a unity plot with a supporting table comparing ILI tool data with field obtained data;
 - c. A list of features that are identified for repair as per CSA Z662-11 Clause 10.10.2, features on the list that TransCanada repaired and TransCanada's rationale for not repairing any feature in the list;
 - d. A revised corrosion condition monitoring plan specific to the Ukalta Lateral. The plan shall include, but not limited to, TransCanada's planned monitoring activities and rationale for selecting the activities.
6. If TransCanada derates the operating pressure set out in Condition 1 due to a pipeline integrity related issue, TransCanada shall notify the Board within 2 days of the derating. The notice shall include the rationale for reducing the pressure.

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Sheri Young
Secretary of the Board