

National Energy
Board



Office national
de l'énergie

File OF-Surv-Gen 1101
5 February 2016

To: All companies under National Energy Board jurisdiction

Identification of Pipe and Fittings with the Potential to Exhibit Substandard Material Properties

This letter is to notify you that the National Energy Board (NEB or Board) has issued an order requiring mandatory reporting of the existence of certain fittings that may not meet Canadian Standards Association (CSA) (or other) material property requirements.

In conjunction with Safety Advisory SA-2016-01, the Board is issuing the attached Order MO-001-2016 (Order) to all companies that hold a regulatory authorization to construct and operate a pipeline regulated by the Board. The Safety Advisory brings clarity to the issue of pipe and fittings with possible substandard material properties, while the Order will enable the NEB and companies to identify any such fittings on existing pipelines, so that appropriate mitigation measures can be implemented.

If you have any questions regarding this advisory please contact Integrity Management personnel at the Board through our toll free number at 1-800-899-1265.

Yours truly,

Original signed by

Sheri Young
Secretary of the Board

Attachment

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ORDER MO-001-2016

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

IN THE MATTER OF the safety and security of
pipelines under the National Energy Board's jurisdiction.
File OF-Surv-Gen 11

BEFORE the National Energy Board (Board) on 17 December 2015.

WHEREAS the Board may order a company to take measures that the Board considers necessary for the safety and security of pipelines;

AND WHEREAS the Board is aware of instances of pipe and fittings having material properties that do not meet Canadian Standards Association (or other) requirements installed on pipelines under National Energy Board or other regulatory bodies' jurisdiction;

AND WHEREAS the prevalence of pipe and fittings with substandard material properties on operating pipelines is unknown;

AND WHEREAS the Board will verify the appropriateness of mitigation plans for pipe or fittings with possible substandard material properties;

IT IS ORDERED THAT pursuant to paragraph 12(1)(b) and subsection 48(1.1) of the NEB Act, companies that hold a regulatory authorization to construct and operate a pipeline regulated by the Board shall, within 60 days of the issuance of this Order:

1. File with the Board, a report detailing fitting type, grade, year of manufacture, location, product transported, and maximum operating pressure (MOP) for any fittings purchased from Canadoil Asia with production originating in Thailand.
2. File with the Board a report detailing the fitting type, year of manufacture, location, product transported, and MOP for any Grade 550 fittings purchased from EZEflow Group from 2005 to 2008.
3. File with the Board a report detailing manufacturer, type, grade, year of manufacture, location, product transported, and MOP for any pipe or fittings that the company has identified as having or potentially having material properties not meeting its specifications.

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4. For any pipe or fittings known or suspected to have substandard material properties, file with the Board the details of mitigation measures implemented and a timeline to file an Engineering Assessment demonstrating the safety of the potential substandard components installed on the pipeline.

5. For companies unable to identify pipe or fittings as required by the terms of this Order , due to lack of documentation or records, these companies shall file with the Board:
 - a. a letter to this effect,
 - b. a corrective action plan to ensure that records and document control meet current regulations, and
 - c. a plan for determining if any pipe or fittings with substandard material properties exist on their pipelines.

Issued at Calgary, Alberta, on 5 February 2016

NATIONAL ENERGY BOARD

Original signed by

Sheri Young
Secretary of the Board