National Energy Board



Office national de l'énergie

OF-Surv-Inc-2013 092 01 OF-Surv-Inc-2013 099-01 19 March 2014

Mr. Ian Anderson President Kinder Morgan Canada Inc. Suite 2700, 300 – 5th Avenue SW Calgary, AB T2P 5J2 Facsimile 403-514-6622

Dear Mr. Anderson:

Kinder Morgan Canada Inc. - Trans Mountain Pipeline ULC Request to Lift Pressure Restriction - Safety Order SO-T260-005-2013 NPS 24 Mainline – Liquids Leak Kilometer Post 923.5 - 12 June 2013 Kilometer Post 966.9 – 26 June 2013

On 12 and 26 June 2013, Kinder Morgan Canada Inc. (KMC) discovered and reported two separate leaks stemming from crack features on the Trans Mountain Pipeline (TMPL). These crack features were discovered as a result of inline inspections conducted in 2012 by KMC.

The National Energy Board (Board) issued Safety Order SO-T260-005-2013 (Safety Order) on 2 August 2013 pursuant to sections 12 and 48 of the *National Energy Board Act*. The Safety Order maintained a voluntary pressure restriction undertaken by KMC following the leak incidents. The Safety Order also outlined the Board's precautionary measures and terms and conditions on which KMC may request a revision or lifting of the Board's pressure restriction.

The Board has considered KMC's requests dated 7 February 2014 and 20 February 2014 to lift the pressure restriction imposed under Condition 1 of the Safety Order on two segments of the TMPL, namely, Edmonton to Edson, Alberta, and Hinton, Alberta, to Hargreaves, British Columbia.

Based on the Board's review of KMC's submissions, including engineering assessments, the Board finds that KMC has complied with all the commitments outlined in its Integrity Assurance Plan, dated 9 July 2013, and Condition 5 of the Safety Order for the two TMPL segments aforementioned.

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The Board reminds KMC that it must demonstrate, for approval, compliance to its Integrity Assurance Plan and the Safety Order on all the remaining segments of the TMPL before the pressure restriction imposed under the Safety Order may be fully lifted.

Yours truly,

Sheri Young

Sheri Young Secretary of the Board

c.c. Mr. Hugh Harden, KMC, Facsimile 403-514-6622 Ms. Ali Jakubec, KMC, Facsimile 403-514-6622