



## VARIANCE OF INSPECTION OFFICER ORDER NO. DJM-001-2022

### ORDER TO BE VARIED

As per section 69 (2) of the Canadian Energy Regulator Act (CER Act) [REDACTED], designated as a CER Inspection Officer under subsection of the 102(1) of the CER Act is varying order DJM-001- 2022, and superseding it with this order VAR-001-DJM-001-2022.

IN THE MATTER OF THE CANADIAN ENERGY REGULATOR ACT,  
AN ORDER UNDER SECTIONS 69 (2) and 109

### NAME OF PERSON(S)/COMPANY TO WHOM THIS ORDER IS DIRECTED

**NOVA Gas Transmission Ltd. (NGTL)** is a Company conducting work associated with a regulated facility located near Dawson Creek, British Columbia as part of the NGTL Groundbirch Mainline Loop – Sunrise Section.

On or about 29 November 2022 at 12:00 PM the undersigned Canada Energy Regulator Inspection Officer conducted a compliance verification activity (CVA 2223-171) of NGTL Groundbirch Mainline Loop - Sunrise Section.

Whereas an oral Order was issued on 2 December 2022, which required the company to stop work specific to mainline pipeline coating operations being performed by sub-contractor CRC-Evans, contracted to Surerus Murphy Joint Venture (SMJV) at the Sunrise Spread.

### RELEVANT FACTS

I, [REDACTED], designated as a CER Inspection Officer under subsection 102(1) of the Canadian Energy Regulator Act (CER Act), believe the following are the relevant facts relating to the issuance of this Order:

1. NGTL failed to demonstrate an effective method of work inspection was occurring, noting many hazards specific to the chemical solvent, Methyl Ethyl Ketone (MEK), were not under control as required by project approval certificate conditions and provincial occupational health and safety regulation, during pipeline construction operations.
2. Safety controls including but not limited to, required for the safe transport, use, handling, and storage of MEK, including application of WHMIS, management of potential ignition sources, ensuring potential worker exposure has been assessed and is controlled, decanting, grounding and bonding of containers, Respiratory Protective Equipment (RPE) and other Personal Protective Equipment (PPE) as identified in the Safety Data Sheet (SDS), was not in use or being adequately applied.

3. Previous CER enforcement actions including Notice of Non-Compliance and Corrected Non-Compliance, were issued relative to industrial hygiene matters during compliance verification activities CV2122-188 and CV2122-183, with failure to ensure the safety of persons engaged in coating operations.

**PROVISIONS OF ACT OR REGULATIONS THAT ARE ALLEGED TO BE CONTRAVENED - AND ARE CONTINUING - OR ARE LIKELY TO BE CONTRAVENED**

*Canadian Energy Regulator Act: **Reasonable care section 94** The holder must take all reasonable care to ensure the safety and security of persons, the safety and security of regulated facilities and abandoned facilities and the protection of property and the environment.*

**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.*

**NGTL** 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. If the order is varied, suspended work is subject to the terms of the varied order.

## SPECIFIED MEASURES


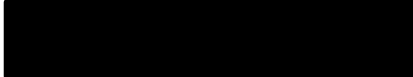

1. Cease the use of the pipeline spray-coating application system, provided by *CRC-Evans*, until a method of competent construction inspection, through the utilization of training, knowledge, and expertise, of the components, the use, and operation of the coating system, can be demonstrated to the Inspection Officer.
2. Provide assurance that those assigned the responsibility of General, Safety or Coating inspection, on behalf of NGTL, can demonstrate compliance with WHMIS requirements (as required by Condition 2 of Order XG-029-2019 and the Construction Safety Manual).
3. Provide to the Inspection Officer for review, an assessment completed by NGTL to identify the regulatory and legal requirements to safely manage Methyl Ethyl Ketone liquid, in line with Canada Energy Regulator Onshore Pipeline Regulations 6.5(1)(g) and 6.5(1)(h); and explain which requirements apply, and how they are implemented within the NGTL Management System.
4. Demonstrate that NGTL has reviewed the applicability of Management of Change (MOC), or a Hazard Analysis, of the *CRC-Evans* spray coating system, and provide to the Inspection Officer for review a summary of the key safety hazards and the management controls for MEK and other pipeline coating chemicals.
5. Provide a Corrective and Preventative Action Plan, noting systemic actions that will prevent recurrence, and detailing time to completion of Measures 1-4, to the Inspection Officer for review.

## EFFECTIVE DATE OF THE ORDER

This Inspection Officer Order takes effect immediately on 07 December 2022 at the time of delivery of this Order to the person/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 person/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.

<b>Inspection Officer</b>		
	<b>IO Designation Number</b>	<b>Signature</b>
	07 December 2022	
	<b>Date</b>	<b>Name</b>
	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 to the CER in response to the order are to be provided within the CER Operations Regulatory Compliance Application (ORCA) quoting the associated CVA #, Inspection Officer Order #, and any specific measure with which the submission is associated.*