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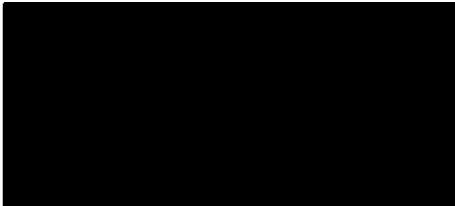
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Ms. Sheri Young
Secretary of the Board
National Energy Board
Suite 210, 517 Tenth Avenue SW
Calgary, Alberta
T2R 0A8

Dear Ms. Young,

**Re: Final Audit Report for Westcoast Energy Inc., Carrying on Business as Spectra Energy
Transmission (Westcoast) File OF-Surv-OpAud-W102-2016-2017 01**

Please find enclosed corrective action plans for the three findings arising from the National Energy Board's right of way audit. If you have questions, please do not hesitate to contact me.



MAIL ROOM
SALLE DE COURIER
2017 MAR 27 P 3:00
NEB/ONE

National Energy Board Right of Way Patrol Audit

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1.1 Right of Way Patrols

Observing conditions and activities (CSA clause 10.6.1.1)

Spectra Energy Transmission's SOP *Lands Pipeline Right-of-Way Patrol* includes the list of CSA-Z662-15 conditions to pay attention to during patrols. Through a review of inspection reports, the Board confirmed that patrol reports were being generated after each patrol. A review of a sample of aerial patrol reports identified that these reports did not include confirmation that each of the CSA-Z662-15 clause 10.6.1.1 conditions and activities were being monitored or assessed during patrols. This type of reporting by exception does not allow for any monitoring of developing trends that can affect the safety and operation of the pipeline nor does it document an assessment of the various potential issues.

Due to the fact that the aerial patrols report by exception, that is, only noted when activity or an issue is present, Spectra Energy Transmission could not demonstrate that it is monitoring all the issues as noted in CSA Z662-15 clause 10.6.1.1. Therefore, the audit determined that Spectra Energy Transmission is non-compliant with this requirement. The Board requires that a CAP be developed to address this non-compliance.

Corrective Action Plan

Westcoast Energy Inc. carrying on business as Spectra Energy Transmission ("Westcoast") has developed a new checklist that includes all lands and geotechnical items found in clause 10.6.1.1 of CSA Z662-15. Depending on the type of patrol being undertaken, e.g. geotechnical, lands or both, the items on the list relevant to the kind of patrol must be observed and noted with a check. Observations identified that require action will be entered into SharePoint and referred for action according to the Observation Referral List and the Patrol Process (SOP 7.1). Due date will be July 31, 2017.

3.1 Operational Control-Normal Operations

Establishing and implementing a process for coordinating and controlling - OPR s.6.5 (q)

While Spectra Energy Transmission has demonstrated it has developed process and system requirements for the majority of its patrols, the board has determined that additional process and requirements need to be established and implemented for these (Ad Hoc patrols). As a result, the Board finds Spectra Energy Transmission is non-compliant with NEB OPR s. 6.5 (1)(q). The Board requires Spectra Energy Transmission to develop a corrective action plan to address the described deficiencies.

Corrective Action Plan

Westcoast will revise its patrol training SOP to define the two patrol types to address applicable requirements. The revisions will be completed by the end of May 31, 2017.

The work flow process for observations arising from non-patrol activities will be separated from the geotechnical or the lands patrol into a separate SOP and associated form. The SOP will provide details on how to flow the observations into the appropriate program(s). The SOP will be developed and implemented by June 30, 2017.

4.3 Internal Audit

Spectra Energy Transmission could not demonstrate that it has conducted any audits that included Patrols to determine whether its patrol activities are adequate or effective. As a result, the Board has determined that Spectra Energy Transmission is non-compliant with NEB OPR Section 6.5(1) (w). The Board requires Spectra Energy Transmission to develop a corrective action plan to address the described deficiencies.

Corrective Action Plan

Westcoast will develop and implement governance for Program Periodic Assessments for patrol activities as part of its Quality Assurance Program (QAP) development and implementation. QAP development is already underway as part of commitments related to NEB OF-Surv_Fins W102-2016 0101. The OMS Self-Assessment and Periodic Assessment plan and processes will be rolled out by June 29, 2018.

The Damage Prevention & Pipeline Integrity Programs will develop a plan for conducting periodic assessments of compliance with applicable legal requirements regarding Pipeline Patrols (NEB OPR section 6.5) by September 29, 2017. The program Self-Assessment Plan will include the scope and frequency for execution of Periodic Self-Assessments of Safety Patrols.