



File OF-Surv-OpAud-T217-2016-2017 01
16 March 2017

Mr. John Ferris
President and Chief Executive Officer,
Accountable Officer as per the National Energy Board Act
Trans-Northern Pipelines Inc.
310-45 Vogell Road
Richmond Hill, ON L4B3PG
Facsimile [REDACTED]

Dear Mr. Ferris:

**National Energy Board Approval of Trans-Northern Pipelines Inc. (TNPI)
Corrective Action Plan (CAP) developed in response to the
2017 Audit of TNPI Pipeline Patrol Activities**

The National Energy Board (NEB or Board) hereby approves TNPI's CAP submitted by letter dated 10 February 2017 in response to the findings identified in the Board's audit of TNPI's pipeline patrol activities with the exceptions noted herein.

The Board notes the following:

- TNPI has developed its CAPs based on the integration of corrective actions into work packages.
- TNPI has included success measures for each CAP. The development and implementation of these measures will be verified during the implementation assessments.
- Commitments described in the CAP will be verified during the implementation assessments.
- CAPs will be reviewed to verify that they include ongoing preventive measures are to prevent recurrence.

The Board finds TNPI's proposed approach to address the deficiencies is acceptable with the exception of TNPI finding 1.2.3. In that case, the Board expects TNPI to include the ongoing identification, tracking and resolution of signage issues within its patrol activities.

In its review of the timing of the proposed CAP, the Board considers that TNPI should have already undertaken some improvements to its patrol activities and related processes since the

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issuance of the Board's Final Report. Therefore, the Board is of the view that the deficiencies noted in the audit related to the patrol activities can and should be addressed in a shorter timeframe than proposed by TNPI. Accordingly, the Board directs that all corrective actions be completed on or before the dates set out in the attached Table 1. The Board will make the CAP public and will continue to monitor and assess all of TNPI's corrective actions with respect to this audit until they are fully implemented. The Board will also continue to monitor the implementation and effectiveness of patrol activities through targeted compliance verification activities as a part of its on-going regulatory mandate.

If you require any further information or clarification, please contact Marnie Sparling, Lead Auditor, at 403-629-6394.

Yours truly,

Original signed by L. George for

Sheri Young
Secretary of the Board

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The CAP Review Process

During the CAP review, the NEB will review the deliverables as outlined by TNPI's Work Packages. Each finding will be considered resolved when all of the deficiencies as described in the report have been addressed in accordance with the legal requirements, the commitments and the actions described in the CAP. Meetings to discuss CAPs will be organized if required.

In the coming days, the Lead Auditor will contact TNPI representative whom we have copied on this letter to arrange the document review for the CAP. If you require any further information or clarification during the review, please contact Marnie Sparling, Lead Auditor, at 403-629-6394.

Table 1 – CAP Due Dates (Revised)

Due Date	TNPI Work Package	Findings addressed (TNPI numbers)
4 July 2017	Communication Process	Appendix II - 3.5.1
4 July 2017	*Patrol Procedures	Appendix 1 – 1.2.1,*1.2.3, 2.1, 2.2.1, 2.3.1, 3.1.2 Appendix 2 – 2.1.6, 3.4.4, 3.4.6, 3.5.2, 3.5.3, 3.6.1, 3.6.4, 4.2.1, 4.2.2, 4.2.3, 4.2.5, 4.2.6 *TNPI will include its ongoing signage maintenance procedures within its Patrol Procedures.
4 July 2017	Competency Assessment Process	Appendix II - 3.4.1
4 July 2017	Contractor Management Program/Process	Appendix II - 3.4.3, 3.4.5
4 July 2017	Corrective Action Planning Process	Appendix I - 1.2.1, 3.1.1 Appendix II – 4.2.6, 4.2.7
4 July 2017	Risk Assessment Process	Appendix II – 2.1.4, 2.1.8, 3.5.3
4 July 2017	Hazard Identification Process	Appendix II – 2.1.1, 2.1.2, 2.1.5, 2.1.7
2 October 2017	Effectiveness Assessment Process	Appendix I - 1.2.2, 2.2.2

Due Date	TNPI Work Package	Findings addressed (TNPI numbers)
2 October 2017	Management Review Process	Appendix I – * <u>1.2.3.</u> Appendix II – 4.2.4, 4.2.8, 4.3.1, 5.1.1, 5.1.2
2 October 2017	Document Control Process	Appendix II - 3.4.4, 3.6.2, 3.6.3
2 October 2017	MoC Process	Appendix II - 3.4.2
2 October 2017	Records Management Process	Appendix II – 4.4.1