



File OF-Surv-OpAud-T260-2016-2017 0101
19 September 2017

Mr. Ian Anderson
President and Accountable Officer
Trans Mountain Pipeline ULC
Suite 2700, 300-5th Avenue SW
Calgary, AB T2P 5J2
Email [REDACTED]

Dear Mr. Anderson:

**National Energy Board (Board or NEB) Review of Corrective Action Plans
(CAPs) for Trans Mountain Pipelines ULC (TMPU) 2017 *National Energy Board*
Onshore Pipeline Regulations, (OPR) Pre-Construction Audit**

The Board has examined TMPU's submitted documentation and completed interviews of TMPU staff to assess the current status of CAPs submitted for the 2017 Pre-Construction audit of TMPU's Trans Mountain Expansion Project (Project). Following its review the Board has approved the implementation of the majority, not all, of the CAPs related to the audit. The remaining CAP's will be assessed at a later date. The following table indicates which CAPs have been approved.

| Audit Finding Number | Finding (abridged version) |
|---------------------------------|--|
| 2 | Policy for internal reporting of hazards and potential hazards, no fear of retribution |
| 12 | Has the company identified hazards and potential hazards related to the Project |
| 13 | Inventory of hazards and potential hazards for the project |
| 14 | Risks associated with the identified hazards |
| 17 | A process to develop and implement controls for the identified hazards and risks |
| 22 | Communicate Management of Change issues |
| 26 | Process to communicate all special conditions associated with the construction project |
| 30 | Has the company identified what monitoring activities it needs to carry out on the Project |
| 31 | Established a process for issues of concern identified during monitoring are addressed quickly |
| 32 | Established a process for deficiencies identified during monitoring are addressed quickly |
| 34 | Process to monitor construction activities for compliance to all legal requirements |
| 35 | Established a process to manage changes that occur during construction |
| 36 | Compliance monitoring with all legal requirements for the Project |

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For all findings that remain open, the Board will continue to assess TMPU's efforts to satisfy the CAP. The two outstanding CAP items from the Pre-Construction Audit and the corresponding submission dates are shown in the following table. In addition, the Board will continue to follow up with TMPU to assess the establishment of the processes and activities that could not be assessed at the time of the audit because they were not yet required due to the stage of construction.

| Audit Finding Number | Finding (abridged version) | CAP Date |
|-----------------------------|--|-----------------|
| 1 | Integrated pipeline construction into their management system | 30 September |
| 3 | Organizational structure to provide oversight of pipeline construction | 30 September |

If you require any further information or clarification, please contact Mark Tinney, Lead Auditor, at 403-966-1065 or toll-free at 1-800-899-1265.

Yours truly,

Original signed by L. George for

Sheri Young
Secretary of the Board

cc: Mr. Scott Stoness, Vice President, Finance & Regulatory Affairs,

Email [REDACTED]

[REDACTED], Regulatory Compliance Lead, Regulatory Affairs,

Email M [REDACTED]

[REDACTED], Regulatory Advisor

Email [REDACTED]