

M A N I T O B A) **Order No. 15/16**
)
THE PUBLIC UTILITIES BOARD ACT)
)
THE GAS PIPE LINE ACT) **February 1, 2016**

BEFORE: Régis Gosselin, B ès Arts, MBA, CPA, CGA, Chair
Neil Duboff, BA (Hons), LLB, TEP, Member
Marilyn Kapitany, B.Sc. (Hon), M.Sc., Member

AN ORDER ADOPTING CSA Z662-15
(CSA STANDARDS - OIL AND GAS PIPELINE SYSTEMS)

Introduction

Standards for the design, construction, testing, operation and maintenance of natural gas pipelines in Manitoba are established pursuant to the requirements of *The Gas Pipe Line Act* C.C.S.M. cG50 (Act).

Section 33 (1) of *the Gas Pipe Line Act* states:

“Manner of construction

33(1) Notwithstanding any provision of any other Act, every person authorized to construct or operate a gas pipe line shall locate, construct, maintain, and operate it so as not to endanger the public health or safety; and the construction thereof shall be in accordance with such standards and specifications as may from time to time be required by the board or prescribed in the regulations.”

The Board previously adopted The Canadian Standards Association’s (CSA) Z662-11 Standard for Oil and Gas Pipeline Systems as the minimum standard for Manitoba (Order 18/12, dated February 16, 2012). CSA recently updated this Standard in June of 2015. The new CSA Standard is Standard Z662-15, entitled CSA Standards – Oil and Gas Pipeline Systems.

This Order adopts CSA Z662-15 as the minimum standard for design, construction, operation and maintenance of gas pipelines in Manitoba.

The CSA process used in the development of standards is a consensus development process that has been approved by the Standards Council of Canada. The process involves a wide variety of interested stakeholders, working together to achieve consensus-based standards in the public interest.

Utility Comments

The Board sought comments from Manitoba's regulated gas utilities (Centra Gas Manitoba Inc. and Stittco Utilities Man Ltd.) as to their concerns with the Board's adoption of CSA Z662-15. On October 1, 2015 Centra advised that CSA Z662-15 requires the adoption of CSA Z245.30 standard for field-applied external coatings for steel pipeline systems. Centra advised that additional training would be required of Centra staff and external contractors to satisfy the requirements of CSA Z245.30. In addition, Centra suggested they would have to revise their own internal standards and procedures to reflect the requirements of CSA Z245.30. For these reasons Centra requested the Board consider adopting CSA Z662-15 effective August 1, 2016.

On November 16, 2015 the Board sought further clarification from Centra for delaying the adoption of CSA Z662-15, with specific reference to the requirements of CSA Z245.30.

On December 9, 2015 Centra provided additional information to the Board for the proposed delay in implementing CSA Z662-15 and the work effort needed to satisfy the requirements resulting from the adoption of CSA Z245.30 for field-applied coatings. Centra advised that full implementation of CSA Z245.30 requires pipe coating manufacturers to provide Manufacturers Qualified Application Procedures (MQAP) which each manufacturer must develop for each coating system. Once these MQAP are received, Centra must then develop a training curriculum based on these MQAPs and Centra's inspectors will need to be trained and qualified to inspect field-coating applications. In order to provide sufficient time to receive these MQAP from manufacturers, and to train and qualify Centra staff on MQAP, Centra requested the Board adopt CSA Z662-15 effective August 1, 2016.

Stittco advised the Board they had no objection to CSA Z662-15, but also requested a transition period to August 1, 2016.

Board Decisions

The Board will adopt CSA Z662-15 “Oil and Gas Pipeline Systems” to replace CSA Z662-11 for use in Manitoba pursuant to Section 33(1) of *the Gas Pipe Line Act*. The Board however will also approve a transition period to implement the requirements of CSA Z245.30 “Field Applied External Coating” to August 1, 2016. During this time, minimum requirements for field-applied external coatings shall be as specified in CSA Z662-11.

IT IS THEREFORE ORDERED THAT:

1. Effective March 1, 2016, the minimum standard for the design, construction, operation and maintenance of gas pipelines in Manitoba shall be CSA Standard Z662-15 Oil and Gas Pipeline Systems.
2. A transition period to implement the requirements of CSA Z245.30 "Field-Applied External Coatings for Steel Pipeline Systems" shall extend to August 1, 2016.
3. During the transition period referenced in clause 2, the minimum requirement for field-applied external coatings for steel pipelines shall be as specified in CSA Z662-11.

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with section 36 of the Board's Rules of Practice and Procedure (Rules). The Board's Rules may be viewed on the Board's website, www.pub.gov.mb.ca.

THE PUBLIC UTILITIES BOARD

"Régis Gosselin, B ès Arts, MBA, CPA, CGA"
Chair

"Kurt Simonsen"
Acting Secretary

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by The Public Utilities Board

Acting Secretary