

Pipeline lessons learned?

After a terrible year for safety in 2012, a zero-incident campaign was promised in Canada. Today, the number of incidents — spills, fires and the like — is down sharply, but parts of the picture are more murky

BY PETER O'NEIL, VANCOUVER SUN FEBRUARY 23, 2015



A Sun analysis of data relating to oil spills reveals that some progress has been made in reducing the number of incidents since 2012. This is a photo from clean up of the spill from a ruptured pipeline operated by Enbridge Inc. into the Kalamazoo River in 2010.

OTTAWA — In the summer of 2012 Canada's pipeline industry, which had long boasted of a sparkling track record, promised to win public confidence by vowing an extraordinarily ambitious campaign to ensure their operations were safe.

The promise came after a series of public relations disasters that left the public anxious, environmentalists galvanized, and politicians like B.C. Premier Christy Clark nervously distancing themselves from major proposals.

The year included the latest in a series of high-profile spills in Alberta dating back to 2011, an overall record-high number of pipeline "incidents" recorded by the National Energy Board, and a devastating

report from a U.S. regulator about a Canadian industry giant's Keystone Kops-like handling of a 20,000-barrel spill of diluted bitumen into a Michigan River in 2010.

"I wouldn't quite call it an annus horribilis, but it was certainly a pretty key year," said Brenda Kenny, president of the Calgary-based Canadian Energy Pipelines Association, which represent major companies operating 115,000 kilometres of pipeline across Canada.

At one point early that summer Ken Hughes, then Alberta's energy minister, called all of the chief executives of the Pipeline Association's membership — companies at the heart of the B.C. debate like Enbridge and Kinder Morgan — for a rather stern confrontation.

It was "eyeball to eyeball," recalled Kenny.

"You guys," she quoted Hughes saying, "I'm expecting you to get your act together."

A few weeks later Kenny "announced" — the term was used loosely, as the initiative was several years old — an "Integrity First" campaign that "will help us to reach zero incidents."

Kenny said in a recent interview that her industry has learned its lesson. Among the measures taken was a mock training exercise last year, and a new, industry-wide approach to watercourse surveillance during spring flooding, resulting in two straight years of no incidents during this period.

She also indicated that her association will consider revoking the memberships of companies that make the entire industry look bad due to repeat offences.

"I can say unequivocally that the practices we're putting in place are making things better," Kenny said.

Are they? While it's still early days, it is now more than two full years after the industry's vow.

So The Sun took a look at data from the three regulators that oversee the operations of major companies most relevant to B.C. — the National Energy Board, which regulates transmission lines that cross provincial and international borders, and the B.C. Oil and Gas Commission and the Alberta Energy Regulator, which monitor pipelines operating exclusively in their respective provinces.

There were some surprises. The data revealed a significant incident, which had never gotten media coverage, in the spring of 2013 in northeastern B.C. It involved a corroded oil pipeline operated by Calgary-based Canadian Natural Resources Ltd. The leak spilled 384 barrels of crude in the pipeline's remote location northeast of Fort St. John near the Alaska Highway.

And the data wasn't easy to sift through. All three agencies use different definitions and different methods to assess performance, a problem that confounds both the industry and its critics.

And while some statistics show improvement — the number of incidents involving federally-regulated pipelines is down by half since 2012, and the volume of spills in Alberta has also slid — other barometers are less flattering.

And there is no indication the industry is closing in on perfection — the goal of “zero incidents” — that was endorsed in 2013 by then-NEB chairman Gaetan Caron.

- The NEB, which regulates 77,000 kilometres of pipeline’s such as Kinder Morgan’s Trans Mountain line to Burnaby, recently posted figures showing there were 76 “events” that led to reportable incidents in 2014.

A reportable incident, according to the NEB, is an occurrence that leads to deaths and serious injuries, fires and explosions, oil and gas spills, and the “operation of a pipeline beyond its design limits.”

That’s down from 121 in 2013 and half the record-smashing 153 total of 2012.

But an NEB barometer measuring the total number of liquid spills — the issue of greatest public concern — doesn’t look as good.

There were two incidents involving NEB-regulated pipelines in 2012 that led to the spill of 613 barrels of oil. The total fell in 2013 to nine spills and 269 barrels, but then last year jumped to seven spills involving 1,675 barrels.

Still, 1,675 barrels spilled across Canada is a fraction of the 28,000 barrels dumped in a single Alberta crude-dump in 2011.

And it’s only slightly larger than one of B.C.’s most famous ruptures — the 1,400-barrel mess in Burnaby in 2007, when crude released thanks to a goof involving a backhoe working for the city of Burnaby.

- Figures from the B.C. Oil and Gas Commission, which regulates more than 40,000 kilometres of pipelines in the province that transport products ranging from natural and sour natural gas, crude oil, water, and other oil and gas products, also don’t suggest a discernible trend.

The 2013 total (2014 data isn’t yet available) was the highest since 2010, and the amount of crude spilled — solely the result of the spill near Fort St. John — was at a five-year high.

- The Alberta Energy Regulator is responsible for monitoring the 415,000-kilometre network that includes both “gathering” and “feeder” lines that feed into the main “transmission” lines. It also regulates transmission lines that don’t cross borders.

The regulator offers figures suggesting a steadily-improved performance, with the 760 pipeline spills in 2007 representing 2.2 for every 1,000 kilometres of pipeline in the province.

That rate has “significantly improved” at a steady pace to a 20-year low of 1.4 in 2013, according to the agency.

But this frequently used measure masks the significant volume of spills in certain years.

In 2011, for instance, 36,000 barrels were spilled — far higher than three of the previous four years.

However, in Alberta's defence, Hughes brought in a number of reforms after a 2012 review, and the total amount fell from 14,000 barrels that year to 7,500 barrels in 2013.

- Another measure of regulatory activity by Alberta regulator hasn't had a significant change. The regulator undertook 41 "high risk enforcement actions" against pipeline operators from January to June of last year, compared to 37 in the first six months of 2013 and 39 in the first half of 2012.
- In June of 2013, a pipeline operated by Houston-based Apache Corp., which like Canadian Natural Resources is not a CEPA member, spilled the equivalent of 60,000 barrels of industrial waste water near Zama City in northern Alberta.

"Every plant and tree died" that was touched by the spill, Dene Tha First Nation Chief James Ahnassay told the Globe and Mail newspaper, which was provided with aerial photographs of the damage.

"I think the Zama City spill alone is enough to put to rest any claim that the industry has turned over a new leaf," said Keith Stewart of Greenpeace.

- Another industry critic former TransCanada Pipelines engineer Evan Vokes, who was fired by the company after complaining about substandard welding and flawed inspection practices.

Vokes was vindicated by an NEB audit last year confirming many of his complaints.

But the NEB said the company had resolved most of the issues, and the Pipelines Association's Kenny dismisses Vokes' concerns as outdated.

Vokes, however, said he has received a number of emails and a handwritten note since 2012 from contractors who complain of poor oversight and shoddy materials at pipeline construction sites.

"CEPA and the NEB make broad claims that are far from the truth," he said.

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