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June 18, 2004

Filed Electronically Original by Courier

Mr. M.L. Mantha Secretary National Energy Board 444 - 7th Avenue S.W. Calgary, AB T2P 0X8

Dear Mr. Mantha:

Re: Westcoast Energy Inc. ("Westcoast") 2004 Section 58 Application No. 11 Install Crossover – 8" Northwest Helmet Extension/16" North Helmet Loop

Enclosed for filing with the National Energy Board (the "Board") is Westcoast's 2004 Section 58 Application No. 11 for the installation of a crossover between the 8" Northwest Helmet Extension Pipeline and the 16" North Helmet Loop Pipeline. The pipelines involved are sour gas gathering pipelines.

Westcoast would request approval as soon as possible in order to satisfy customer requirements.

Westcoast requests exemption from sections 30, 31 and 47 of the *National Energy Board Act* for this project as it is small in scope and meets the requirements of Streamlining Order XG/XO-100-2002 except Step 3.3 a) of Schedule "A", regarding work on pipelines used to transport sour products, because the project includes the installation of a hot tap.

This project is of a type included within Schedule 1 (Section 3) of the *Exclusion List Regulations*, of the *Canadian Environmental Assessment Act* (CEA Act) and is not subject to an environmental assessment under the CEA Act.

Yours truly,

Original Signed by

Kirsten B. Jaron

Attachment

cc: Section 58 Interested Parties

Westcoast Energy Inc. 2004 Section 58 Application

Project Title:Install Crossover - 8" Northwest Helmet Extension/16" North Helmet LoopProject Number:Q0446

Project Cost (\$000): 52

Project Description

The project involves the installation of a crossover between the 8" Northwest Helmet Extension Pipeline and the 16" North Helmet Loop Pipeline, within Unit 36, Block K of 94-P-7, P&NG co-ordinates, within the Fort Nelson Field Services area. The 8" Northwest Helmet Extension Pipeline and 16" North Helmet Loop Pipeline are sour gas gathering pipelines. The project is shown on the attached drawing. The project will take place within existing surveyed statutory right-of-way held by Westcoast.

The crossover will consist of a 4" hot tap, 4" valve, and 5 to 10 feet of 8" and 4" pipe, flanges and fittings. The pipe will conform to ASTM A333 Grade 6; the valve, fittings, and flanges will conform to CSA Z245.15-01, CSA Z245.12-01, and CSA Z245.11-01, respectively. The minimum wall thickness of the pipe will be equal to or greater than that required by the Standard for a maximum design pressure of 8 070 kPa (1170 psi).

The crossover will be designed, constructed and tested in accordance with CSA Standard Z662-03, the provisions of the National Energy Board Act and other applicable governing codes. Westcoast will comply with the requirements of the Onshore Pipeline Regulations, 1999 in the construction, operation and maintenance of the project.

The crossover will be hydrostatically tested to a minimum pressure of 10 090 kPa (1463 psi). Pressure testing will be performed in accordance with Westcoast Energy Inc. Enterprise Wide Specification SP-51-20-21, Rev. 0, Pipeline Construction - Pressure Testing, which is in compliance with the requirements of:

- CSA Z662-03 Oil and Gas Pipeline Systems, Clause 8 Pressure Testing
- Onshore Pipeline Regulations 1999 (OPR-99) Part 5 Pressure Testing

Hot taps are installed in accordance with Specification SP 51-32 Rev. 2 dated June 3, 2004 and the Maintenance Joining Program JP-10 Rev. 4 dated February 1, 2004 both of which were filed with the Board on June 14, 2004 as part of Westcoast's 2004 Section 58 Application No. 10 - Provision for Producer Taps (A07958). All butt welds will be 100% inspected by radiography.

Westcoast will adhere to the policies, practices and procedures outlined in the Company's EHS Construction Program Manual (April, 2002).

The project meets the requirements of Streamlining Order XG/XO-100-2002 with the exception of 3.3 a) as the project includes the installation of a hot tap on sour natural gas pipeline.

The project should be exempt from leave to open requirements because of its small scope and because it meets the requirements of the Streamlining Order with the exception of the hot tap on sour natural gas pipeline.

Economic Feasibility, Alternatives & Justification

The 8" Northwest Helmet Extension Pipeline was constructed in 1975. In 1990, in response to the cessation of production at MP 0.0, the sending barrel assembly was relocated from MP 0.0 to MP 1.60 so that production at that location could be used to facilitate regular cleaning pig runs. MP 0.0 to MP 1.60 of the 8" Northwest Helmet Extension Pipeline was deactivated.

In 1994, the 8" Northwest Helmet Extension Pipeline was looped with the 16" North Helmet Loop Pipeline. MP 0.0 of the 16" North Helmet Loop Pipeline was located at MP 1.60 of the 8" Northwest Helmet Extension Pipeline and a crossover between the two pipelines was constructed at that location.

In 1999, a new producer was tied-in at MP 0.0 of the 8" Northwest Helmet Extension Pipeline, the sending barrel assembly was relocated from MP 1.60 back to MP 0.0, and MP 0.0 to MP 1.60 of the 8" Northwest Helmet Extension Pipeline was reactivated. Approval for the relocation and reactivation was received under Board Order XG-W5-58-99.

In conjunction with the sending barrel relocation, the crossover between the 8" Northwest Helmet Extension Pipeline and the 16" North Helmet Loop Pipeline was removed. As a result, Westcoast is currently not able to move all of the volumes contracted on those two pipelines to the Fort Nelson Gas Plant. Installation of the crossover will reduce the pressure drop in the 8" Northwest Helmet Extension Pipeline and allow Westcoast to make effective use of the 16" North Helmet Loop Pipeline to move contractual volumes.

Timing

This project needs to proceed as soon as possible in the second quarter of 2004 in order to satisfy customer requirements. Construction duration is estimated at one day on site.

Alternatives Considered

Not applicable.

Capital Cost Estimate

Table 1 Capital Cost Estimate Install Crossover - 8" Northwest Helmet Extension/16" North Helmet Loop	
Description	Cost (\$000)
Land and Land Rights	3
Materials:	6
Installation:	31
Start-up	2
Engineering	5
TOTAL DIRECT COST	47
Omissions & Contingency	5
AFUDC	0
TOTAL COST	\$52

Consultation

The project is small in scale and located approximately 150 kilometres from the nearest permanent residence. The potential for environmental or socio-economic effects of the project are negligible and no additional right-of-way or workspace is required , therefore Westcoast's consultation will be in the form of providing notice to aboriginals and trapline licence holders in the area of the project. Should there be any requests for information or concerns, Westcoast will provide the Board with responses.

Aboriginal Consultation

Westcoast will provide information packages and notice to the Fort Nelson First Nation and the Dene Tha' First Nation in whose traditional area the project is situated. Any comments received and how they were resolved with be provided to the Board.

Trapline Licence Holders

Westcoast will provide notice to registered trapline licence holders 755T015. Trapline holders of 755T015 have been identified as aboriginal persons affiliated with the Dene Tha' First Nation. Any comments received and how they were resolved will be provided to the Board.

Lands Information

The proposed project involves the installation of a crossover between the 8" Northwest Helmet Extension Pipeline PL10400-A and the 16" North Helmet Loop Pipeline PL10400C, within Unit 36, Block K of 94-P-7 which is situated on surveyed Crown Land within existing Westcoast statutory right-of-way number 23458 and 23459. No other land issues have been identified as the proposed project will take place within existing surveyed statutory right-of way-held by Westcoast.

Environmental Setting

The proposed project is located about 130 kilometres northeast of Fort Nelson. The area surrounding this project is classified as a boreal white and black spruce geoclimatic region characterized by black spruce bogs with white spruce and aspen stands. Large wildlife species which utilize the area are moose, caribou, bear and wolf. Disturbance to wildlife will be relatively minor due to the fact that all work will be performed within the existing Westcoast right-of-way. The project location is greater than 30 metres from any waterbody.

Potential Adverse Effects

Potential adverse effects will be limited to those associated with short term sensory disturbances, (not anticipated to be more than 8 hours a day for two days) and impacts associated with the excavation to expose the pipe in one location. There will be no flaring and no new clearing associated with the project. The project will not adversely affect wildlife or habitat which is protected under the Species at Risk Act. This project is excluded from review by CEAA, as per the requirements met under Sec. 30.1(1), 30.1(2), and 30.2 of the Exclusion List Regulations.

Cumulative Effects

Cumulative effects will be insignificant since the project location will be on existing right-of-way. Emission levels associated with the pipeline operation will remain unchanged following the project.

Mitigation

Due to the minor nature of the project and the minimal potential for adverse environmental effects, mitigation measures will be limited to stripping and replacing top soil, controlling sediment in surface runoff and reducing sensory impacts by conducting the work in as brief a period as practical. The EHS Construction Program will be followed for this project.

Significance of the Potential Adverse Environmental Effects

Potential adverse environmental effects will be of low significance due to the projects short term duration and minimal soil disturbance.

