



May 3, 2016

Ms. Ruth Mills
Technical Specialist, Economics/Financial Regulation
National Energy Board
517 Tenth Avenue SW
Calgary, AB T2R 0A8

Dear Ms. Mills,

**Re: Implementation of Financial Resource Requirements with respect to *Pipeline Safety Act* Regulations - "Pipeline Capacity"
Response to NEB Request for Additional Information**

The National Energy Board's ("**NEB**") email dated April 28, 2016 requested Montreal Pipe Line Limited ("**MPLL**") to provide the NEB with additional information regarding the company's pipeline capacities for the purpose of determining if MPLL is a company whose operations fall under paragraph 48.12(5)(a) or (b) of the *Pipeline Safety Act* (the "**Act**") (*i.e.* whether MPLL is a "major oil pipeline" company for the purposes of the *Act*).

MPLL provides the following responses to the NEB's additional information request. For additional context around any of the below responses, please refer to MPLL's submission (e-filing A76399) to the NEB dated April 13, 2016.

Question #1:

What is the capacity of the 24-inch line with the Highwater pump station operating?

MPLL Response:

The capacity of the 24-inch line with the Highwater pump station operating is 280,000 barrels per day.

Question #2:

The Board requires further information about the Highwater pump station.

- a. How many pumps are located at the Highwater pump station?
- b. If there is more than one pump, can the pumps be operated simultaneously?
- c. If pumps can be operated simultaneously, is the capacity of the pipeline noted in 1) reflective of the simultaneous pump operation? If not, please explain.

MPLL Response:

(a) There are three (3) pumps on the 24-inch active pipeline and there are three (3) pumps on the deactivated 18-inch pipeline at Highwater station.

(b) The pumps on each line can be operated simultaneously.

(c) The capacity noted in Question #1 above is reflective of simultaneous pump operation at Highwater station.

Question #3:

Is Montreal Pipe Line Limited (MPLL) prepared to apply to the Board for deactivation of the Highwater pump station?

MPLL Response:

MPLL is prepared to apply to the Board for deactivation of the Highwater pump station in order to reduce its throughput capacity below the 250,000 barrels per day threshold for "major oil pipeline" companies under the *Act*.

Question #4:

How many delivery lines exist from the tank and terminal operations?

- a. Are all delivery lines federally regulated? If not, how many are provincially regulated?
- b. What is the capacity of each delivery line that is NEB regulated?
- c. How many delivery lines can be operated simultaneously?

MPLL Response:

MPLL defines delivery lines as those lines that deliver petroleum from the tank and terminal manifold and piping system to its customers. There are three (3) delivery lines that exist for deliveries from the tank and terminal operations. One (1) delivery line is owned by MPLL and two (2) are owned by other companies.

(a) Not all of the delivery lines are federally regulated. The one (1) delivery line owned by MPLL is federally regulated. The two (2) delivery lines owned by other companies are provincially regulated.

(b) The capacity of the one (1) federally regulated delivery line owned by MPLL is approximately 250,000 barrels per day.

(c) All three (3) delivery lines can be operated simultaneously.

Question #5:

If the Board were to find that a reduced capacity is appropriate, please comment on what information MPLL could submit to the Board to demonstrate that the authorized capacity is not exceeded.

MPLL Response:

In addition to documentation previously filed with the NEB in connection with MPLL's pipeline facilities, MPLL could submit actual mainline pipeline throughput figures quarterly, annually, or at any other interval the NEB requires to demonstrate that the authorized capacity is not exceeded.

MPLL appreciates the NEB's willingness to consult with industry on the implementation of the regulations regarding the *Pipeline Safety Act*. MPLL is willing to participate in future discussions or answer any questions the NEB might have regarding the points made above. If you have any questions or concerns regarding the information above please feel free to contact Chris Gillies at (207) 767-0441 or chris.gillies@pmpl.com or the undersigned using the contact information above.

Best Regards,



Thomas A. Hardison
President

cc: Miguel Robin, MPLL Quebec Area Manager