



ORDER MO-020-2021

IN THE MATTER OF the *Canadian Energy Regulator Act (CER Act)*; and

IN THE MATTER OF an application by Secure Energy Services Inc. (**Secure**) for service and suitable and adequate interconnection facilities on the Westspur Pipeline pursuant to sections 32, 34, 226 and 239 of the CER Act (**Application**) under File OF-Tolls-Group2-K103-2019-01 01.

BEFORE the Commission of the Canada Energy Regulator (**Commission**) on 18 June 2021.

WHEREAS Kingston Midstream Westspur Limited (**Kingston**) is the holder of Certificate of Public Convenience and Necessity OC-4 issued with respect to the Westspur Pipeline;

AND WHEREAS Secure filed an Application dated 30 December 2019 requesting relief, including orders:

- directing Kingston to provide adequate and suitable facilities for an interconnection of the Secure Alida Terminal to the Westspur Pipeline for the purpose of delivering crude oil from the Westspur Pipeline to the Secure Alida Terminal (**Delivery Connection**), if these facilities are determined to not already exist, or declare that the existing facilities constitute a Delivery Connection, pursuant to subsection 239(3) of the CER Act;
- directing Kingston to provide adequate and suitable facilities for an interconnection of the Secure Alida Terminal to the Westspur Pipeline for the purpose of receiving, transmitting and delivering oil offered by Secure for transmission on the Westspur Pipeline (**Receipt Connection**), if these facilities are determined to not already exist, or declare that the existing facilities constitute a Receipt Connection, pursuant to subsection 239(3) of the CER Act;
- directing Kingston to deliver oil to the Secure Alida Terminal from the Westspur Pipeline via the Delivery Connection (**Alida Delivery**), and to receive, transport and deliver crude oil offered by Secure via the Receipt Connection for transmission on the Westspur Pipeline (**Alida Receipt**), pursuant to subsection 239(1) and section 34 of the CER Act;
- prescribing just and reasonable terms for the Alida Delivery and the Alida Receipt, pursuant to section 226 of the CER Act, including:
 - service on terms that are not unjustly discriminatory and consistent with Kingston's published tariff for the Westspur Pipeline; and

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- just and reasonable tolls for the Alida Delivery and Alida Receipt calculated in a manner determined by the Commission;

AND WHEREAS the Commission sought comments on the Application and established further process through a timetable of events and procedural updates;

AND WHEREAS the Commission considered all the evidence and submissions from the parties;

AND WHEREAS the Westspur Pipeline is a common carrier oil pipeline and the Commission has determined that Kingston's common carrier duty extends to the service requested by Secure;

AND WHEREAS the Commission has determined that it would be in the public interest for Kingston to provide adequate and suitable facilities for the Delivery Connection and Receipt Connection on the Westspur Pipeline, and that no undue burden will be placed on Kingston;

IT IS ORDERED THAT:

1. Pursuant to subsection 239(1) of the CER Act, Kingston shall provide Alida Delivery and accept Alida Receipt on the Westspur Pipeline.
2. Pursuant to subsection 239(3) of the CER Act, Kingston shall provide adequate and suitable facilities connecting the Westspur Pipeline to the Secure Alida Terminal in the form of the Delivery Connection and the Receipt Connection, on the following conditions:
 - a. On an expedited basis following the date of this Order, Kingston shall consult with Secure and file with the Canada Energy Regulator (CER) a facility application pursuant to section 214 of the CER Act for the construction, if applicable, and operation of necessary connecting facilities between the Secure Alida Terminal and the Kingston Alida Terminal. These facilities must be able to transport the proposed crude oil volumes by Secure and the application must:
 - i. not include batching facilities or equipment;
 - ii. include a delivery pipeline for the transportation of crude oil from Kingston Alida Terminal to Secure Alida Terminal;
 - iii. include a reversal pipeline for the transportation of crude oil from Secure Alida Terminal to Kingston Alida Terminal; and
 - iv. include necessary facilities and equipment (e.g. pumps, lease automatic custody transfer units including online True Vapor Pressure monitoring and composite sampling systems, launching and receiving pigging facilities, leak detection system, valves, instrumentation and control systems). Facility and equipment in compliance with applicable federal and provincial regulations and that are at least equivalent in performance to those already installed on the Westspur Pipeline for providing similar services would be considered sufficient.

3. Pursuant to section 226, the Commission directs Kingston to file, within 30 days following the date of this Order, an updated Westspur Tariff that includes Secure's Alida Terminal as a receipt and delivery point, as well as the tolls to and from the Secure Alida Terminal.
4. Pursuant to sections 226 and 230:
 - a. The toll for the interconnection between the Secure Alida Terminal and the Westspur Pipeline is \$0.10/m³.
 - b. The tolls for delivery to the Secure Alida Terminal shall be calculated as the difference between the toll from the originating upstream receipt point to Cromer, Manitoba and the toll from the Alida Terminal to Cromer, Manitoba. The interconnection toll of \$0.10/m³ will be added to this amount.
 - c. The toll from the Secure Alida Terminal to Cromer Manitoba shall be the posted toll from Alida to Cromer. The interconnection toll of \$0.10/m³ will be added to this amount.

Pursuant to sections 32 to 34 and 226, within 60 days following the date of this Order, Kingston is directed to file with the CER comments as to whether it should be regulated as a Group 1 or Group 2 company.

Issued in Calgary, Alberta on 6 July 2021.

THE COMMISSION OF THE CANADA ENERGY REGULATOR

Signed by

Jean-Denis Charlebois
Secretary of the Commission