

## Notice of Proposed New Regulations

### *The Pipelines Administration and Licensing Regulations*

#### Background

The Ministry of Energy and Resources (ER) is consulting with the oil and gas industry on *The Pipelines Administration and Licensing Regulations* (PALR) and *Directive PNG034: Saskatchewan Pipelines Code* (Directive PNG034). PALR and Directive PNG034 will replace requirements prescribed in *The Pipelines Regulations, 2000*, which will be repealed.

- PALR outlines general administration and licensing requirements for all activities related to pipelines;
- Directive PNG034 specifies technical standards/rules and application/reporting requirements for the construction, operation, maintenance, discontinuation and abandonment of a pipeline.

The proposed regulations are more concise and clear as technical rules are now contained in Directive PNG034. This format is more user-friendly and simpler to comply with for industry.

In addition to structural changes, the proposed regulations and directive support the implementation of the Pipeline Regulatory Enhancement Program to modernize and strengthen pipeline regulations and address the following core policy objectives:

- Create efficiencies for industry and government by integrating risk-based pipeline licensing and reporting into ER's Integrated Resource Information System (IRIS);
- Enhance regulatory oversight by retroactively licensing approximately 80,000 flowlines (well to battery gathering lines) and any remaining licence-exempt pipelines;
- Provide clarity for regulatory requirements, and eliminate overlap or conflict among the regulations, technical standards and directives.

This notice mainly focuses on the changes introduced by PALR.

#### The Regulatory Process

Once this consultation period has concluded on September 30, 2019, ER will review feedback received in the preparation of a final draft of PALR to be presented for consideration by the Lieutenant Governor and Council in the fall of 2019.

The new regulations are expected to come into effect on November 12, 2019.

### Overview of Proposed Changes

The proposed regulations are more concise and clear than their predecessor regulations and allow for a risk based approach to regulation. Highlights of the changes include:

- Pipeline licence registry

The proposed regulations establish IRIS as a licence registry rather than simply a license issuer. This means that the information in IRIS would be the up-to-date legal record of the rights and obligations of the licence holder which can be viewed at any point in time by logging into the system.

- Licensing of previously exempt pipelines

The proposed regulations establish an implementation date for retroactive licensing and prescribe the application process that the owner of the pipelines is required to follow. In addition, processes are established for registering orphaned pipelines and pipelines whose ownership is unknown.

- Administrative penalties

The proposed regulations provide a listing of contraventions subject to penalties and their corresponding maximum penalty amount. This will allow ER to enforce compliance where other enforcement tools are not appropriate or available.

- Exempting certain pipelines that are under the jurisdiction of *The Oil and Gas Conservation Act* from *The Pipelines Act, 1998*.

Pipelines listed in section 1-5 of proposed PALR would not require pipeline licencing, as they have low risks. However, they need to follow the technical requirements outlined in the appendix of Directive PNG034 to ensure public safety.

In addition, there are miscellaneous items of note include:

- Introducing general licensing and eligibility provisions;
- Removing licence exemption for pipelines transporting freshwater used for oil and gas operations;
- Clarifying surface access limitations on the pipeline licence;
- Changing the date of coming in force.

### Review of Draft Regulations

ER is seeking written comments on the proposed new regulations. Draft regulations to give effect to the above changes are outlined in a side-by-side attached to this notice as Appendix A.

Please direct any comments or questions about the regulations to:

[ER.servicedesk@gov.sk.ca](mailto:ER.servicedesk@gov.sk.ca)

Attn: Yanyan Han, Regulatory Affairs, Energy Regulation Division

The deadline for submitting written comments is **September 30, 2019**.

## Appendix A

### *The Pipelines Administration and Licensing Regulations (PALR)*

| EXISTING in <i>The Pipelines Regulations, 2000</i>  | PROPOSED PALR  | EXPLANATION  |
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| NEW   | PART 1<br>Preliminary Matters  | New name of Part   |
| <b>Title</b><br><br><b>1</b> These regulations may be cited as <i>The Pipelines Regulations, 2000</i> . | <b>Title</b><br><br><b>1-1</b> These regulations may be cited as <i>The Pipelines Administration and Licensing Regulations</i> . | <p>This section provides the official title of the regulation that will be referred to as the PALR in this document.</p> <p>The new name would clearly differentiate the new regulations from the repealed <i>The Pipelines Regulations, 2000</i>.</p> |

| EXISTING in <i>The Pipelines Regulations, 2000</i>   | PROPOSED PALR   | EXPLANATION   |
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| <p><b>Interpretation</b></p> <p><b>2</b> In these regulations:</p> <p>(a) <b>“abandonment”</b> means the permanent deactivation of a pipeline or part of a pipeline, whether or not it is removed;</p> <p>(b) <b>“Act”</b> means The Pipelines Act, 1998;</p> <p>(c) <b>“discontinuation”</b> means the temporary deactivation of a pipeline or part of a pipeline where the licence for that pipeline remains in effect;</p> <p>(d) <b>“environment”</b> means the air, land and water and plant and animal life;</p> <p>(e) <b>“operator”</b> means any person who is in charge or has control of any pipeline, whether or not a licence has been issued respecting that pipeline.</p> | <p><b>Definitions</b></p> <p><b>1-2</b> In these regulations:</p> <p><b>“Act”</b> means <i>The Pipelines Act, 1998</i>;</p> <p><b>“business day”</b> means a day other than a Saturday, Sunday or holiday;</p> <p><b>“Directive PNG014”</b> means Directive PNG014: <i>Incident Reporting Requirements</i>, approved pursuant to section 25.2 of the Act and adopted by order of the minister pursuant to section 17 of <i>The Oil and Gas Conservation Act</i>, as amended from time to time;</p> <p><b>“Directive PNG034”</b> means Directive PNG034: <i>Saskatchewan Pipelines Code</i>, approved pursuant to section 25.2 of the Act, as amended from time to time;</p> <p><b>“operator”</b> means any person who owns, is in charge of or has control of any pipeline, whether or not a licence has been issued respecting that pipeline;</p> <p><b>“registered user”</b> means a person who meets the requirements of section 2-1;</p> <p><b>“rules”</b> means any regulations, directives or minister’s orders made pursuant to the Act.</p> | <p>Definition of “abandonment” and “discontinuation” are moved to the Directive PNG034: Saskatchewan Pipelines Code (Directive PNG034).</p> <p>Definition of “environment” is repealed to rely on a common definition.</p> <p>New definitions are provided to add clarity to the regulations.</p> |

| EXISTING in <i>The Pipelines Regulations, 2000</i>  | PROPOSED PALR   | EXPLANATION  |
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| NEW   | <p><b>Licence holder and operator must comply</b></p> <p><b>1-3</b> Every licence holder and every operator of a pipeline shall comply with the Act and the rules.</p>  | <p>This section confirms that all licence holders and operator shall comply with all regulatory responsibilities defined by the Act and its rules.</p>   |
| <p><b>Non-application of Act and regulations</b></p> <p><b>23(1)</b> The Act and these regulations do not apply to a pipeline transporting fresh water for oil and gas operations that is subject to the provisions of <i>The Saskatchewan Water Corporation Act</i>.</p> <p>(2) In the case of a pipeline transporting steam, where there is a conflict between the provisions of the Act or these regulations and the provisions of <i>The Boiler and Pressure Vessels Act, 1999</i>, the provisions of <i>The Boiler and Pressure Vessels Act, 1999</i> apply.</p> | <p><b><i>The Boiler and Pressure Vessel Act, 1999</i> prevails - pipelines transporting steam</b></p> <p><b>1-4</b> In the case of a pipeline transporting steam, the provisions of <i>The Boiler and Pressure Vessel Act, 1999</i> prevail if there is a conflict between the provisions of the Act and the rules and the provisions of <i>The Boiler and Pressure Vessel Act, 1999</i>.</p> | <p>Subsection 23(1) in PR is repealed.</p> <p>The regulatory exemption is removed as pipelines transporting fresh water for oil and gas operations could pose risks for environment and public safety.</p> |

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| NEW | <p><b>Prescribed pipelines for the purposes of clause 3(2)(d) of the Act</b></p> <p><b>1-5(1)</b> In this section:</p> <p><b>“designated control point”</b> means a designated control point for a pipeline system as set out in Appendix 3 of the Directive PNG034;</p> <p><b>“surface lease”</b> means the area leased by an owner of a well, installation or facility for a well, installation or facility connected to a pipeline, but does not include an access road to the well, installation or facility.</p> <p><b>“temporary pipeline”</b> means a pipeline that is:</p> <ul style="list-style-type: none"> <li>(a) above ground;</li> <li>(b) not located wholly within the boundaries governed by a surface lease or by adjacent and abutting surface leases; and</li> <li>(c) will be in use for a period of no more than 180 days.</li> </ul> <p>(2) For the purposes of clause 3(2)(d) of the Act, the following classes of pipelines are prescribed:</p> | <p>This section is added to allow pipelines listed in subsection 1-5(2) to be exempted from <i>The Pipelines Act, 1998</i>.</p> <p>The Pipelines listed are under the jurisdiction of <i>The Oil and Gas Conservation Act (OGCA)</i>.</p> |
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| EXISTING in <i>The Pipelines Regulations, 2000</i> | PROPOSED PALR   | EXPLANATION  |
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|  | <ul style="list-style-type: none"> <li>(a) pipelines that are located wholly within the boundaries governed by a surface lease;</li> <li>(b) pipelines that are located wholly within the boundaries governed by adjacent and abutting surface leases;</li> <li>(c) any piping situated between designated control point A and designated control point B;</li> <li>(d) any temporary pipelines.</li> </ul> |  |
| NEW  | <p><b>Prescribed date for the purposes of section 30.31 of Act</b></p> <p><b>1-6</b> For the purposes of section 30.31 of the Act, the date prescribed as the implementation date is November 12, 2019.</p>   | <p>This section establishes the implementation date for the electronic pipeline licence required by the Act.</p> |

| EXISTING in <i>The Pipelines Regulations, 2000</i> | PROPOSED PALR  | EXPLANATION   |
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| NEW  | Part 2<br><b>Electronic Licence Registry</b>   | New name of Part  |
| NEW  | <p><b>Registration to use registry</b></p> <p><b>2-1(1)</b> A person must be registered to search the registry, acquire or transfer a licence or make any application or submission pursuant to these regulations and any other applicable rules.</p> <p>(2) A person who intends to register to use the registry shall:</p> <p>(a) submit to the registry the person's:</p> <p>(i) name;</p> <p>(ii) phone number;</p> <p>(iii) address for service; and</p> <p>(iv) email address for service; and</p> <p>(b) if the person is a corporation, submit to the registry the corporation's entity number in the register of corporations maintained pursuant to section 282 of <i>The Business Corporations Act</i>.</p> | This section prescribes requirement related to the use of the registry. |



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| NEW | <p><b>Change related to registered user</b></p> <p><b>2-2(1)</b> Subject to subsections (2) to (4), if any of the information the registered user is required to submit to the registry pursuant to subsection 2-1(2) changes, the registered user shall submit the revised information to the registry.</p> <p>(2) If a registered user that is a corporation changes its name or amalgamates with another corporation, it shall submit to the minister:</p> <ul style="list-style-type: none"> <li>(a) a copy of the appropriate certificate of amendment or certificate of amalgamation; and</li> <li>(b) the entity number of the amalgamated corporation in the register of corporations maintained pursuant to section 282 of <i>The Business Corporations Act</i>.</li> </ul> <p>(3) If a registered user that is not a corporation has a change of name, the registered user shall submit to the minister evidence satisfactory to the minister of the change of name.</p> <p>(4) Revised information submitted pursuant to this section must be provided:</p> <ul style="list-style-type: none"> <li>(a) in the case of an email address, immediately after the change; and</li> </ul> | <p>The section details the requirements for revising information in the registry when the registered user information has changed.</p> |
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| EXISTING in <i>The Pipelines Regulations, 2000</i> | PROPOSED PALR  | EXPLANATION |
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|  | <p>(b) in the case of any other information, within 10 business days after the change.</p> <p>(5) After receiving information pursuant to subsection (2) or (3), the minister shall register the change of name or the amalgamation of the corporation with another corporation, as the case may be.</p> |             |

| EXISTING in <i>The Pipelines Regulations, 2000</i> | PROPOSED PALR   | EXPLANATION  |
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| NEW  | <p><b>Agents</b></p> <p><b>2-3(1)</b> A registered user may designate another person to act as an agent to conduct specified transactions within the registry on the registered user's behalf.</p> <p>(2) On acceptance of the designation of the agent in the registry, the agent is authorized to conduct the transactions with respect to which the registered user has designated the agent.</p> <p>(3) The designation of an agent does not relieve the registered user of any responsibility to comply with the Act or the rules.</p> <p>(4) The designation as an agent may be terminated by the registered user or the agent effective as of the registration of the termination of the agency.</p> | <p>This section would allow registered users to designate a person as the business associated ID holder of IRIS.</p> |

| EXISTING in <i>The Pipelines Regulations, 2000</i> | PROPOSED PALR   | EXPLANATION   |
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| NEW  | <p><b>Searches</b></p> <p><b>2-4(1)</b> Subject to subsection (2), a registered user may search the registry for any information recorded in the registry using the search functions available to any registered user.</p> <p>(2) Information in the registry is searchable, except with respect to information that in the opinion of the minister deals with:</p> <ul style="list-style-type: none"> <li>(a) the security of a pipeline;</li> <li>(b) intellectual property including trade secrets;</li> <li>(c) personal information;</li> <li>(d) any other information the minister considers in the public interest to exclude.</li> </ul> | <p>The section allows a user of the registry to search searchable information in the registry. The minister may limit searching results in accordance with the criteria listed in subsection 2-4(2). Access to information request for information that is not searchable can be made under the authority of <i>The Freedom of Information and Protection of Privacy Act</i>.</p> |

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| NEW | <p><b>Deletion from registry or correction of entry in registry</b></p> <p><b>2-5(1)</b> On application by a licence holder, or on the initiative of the minister, the minister may:</p> <ul style="list-style-type: none"> <li>(a) correct an entry in the registry; or</li> <li>(b) delete an entry made in error in the registry.</li> </ul> <p>(2) The minister shall record the reason for any correction or deletion made in the registry pursuant to this section.</p> <p>(3) Subject to subsection (5), if the correction or deletion is on the initiative of the minister, the minister shall notify the licence holder affected by the correction or deletion in writing before the correction or deletion is made.</p> <p>(4) If a licence holder mentioned in subsection (3) objects to the proposed correction or deletion, the licence holder shall:</p> <ul style="list-style-type: none"> <li>(a) reply to the minister in writing within 10 business days after receiving the notice; and</li> <li>(b) state the reasons the licence holder objects to the correction or deletion in the situation mentioned in subsection (3).</li> </ul> <p>(5) After considering the response made by</p> | <p>This section outlines the requirements for deletion or correction of information provided in the registry.</p> |
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| EXISTING in <i>The Pipelines Regulations, 2000</i> | PROPOSED PALR  | EXPLANATION |
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|  | <p>the licence holder, the minister may:</p> <ul style="list-style-type: none"> <li>(a) make the correction or deletion; or</li> <li>(b) decide not to make the correction or deletion.</li> </ul> <p>(6) If no response is received by the minister after the expiry of the 10-business day period mentioned in subsection (4), the minister may make the correction or deletion.</p> <p>(7) If the minister is of the opinion that a delay in making the correction or deletion would have a deleterious effect on the registry, the minister:</p> <ul style="list-style-type: none"> <li>(a) may make the correction or deletion; and</li> <li>(b) if the correction or deletion is made, shall notify the licence holder affected by the correction in writing as soon as is reasonably possible after making the correction or deletion and the reasons for the correction or deletion and give the licence holder an opportunity to make written representations.</li> </ul> |             |

| EXISTING in <i>The Pipelines Regulations, 2000</i> | PROPOSED PALR   | EXPLANATION  |
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| NEW  | PART 3<br>Licences  | New name of Part   |
| NEW  | <p><b>Eligibility requirements – licences</b></p> <p><b>3-1</b> Unless otherwise approved by the minister, no licence shall be issued to, or transferred to or from, a person if:</p> <p>(a) that person owes any money to the Crown in right of Saskatchewan;</p> <p>(b) that person's business is not registered to lawfully carry on business in Saskatchewan.</p> | This section prescribes the eligibility requirements to be issued, transferred to or from a licence. |

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| NEW | <p><b>Applications for approval</b></p> <p><b>3-2(1)</b> Every application that requires the approval of the minister pursuant to the Act or the rules for which an application process is not otherwise provided:</p> <ul style="list-style-type: none"> <li>(a) must be made in an approved form and manner; and</li> <li>(b) must be accompanied by any other information that the minister may reasonably require.</li> </ul> <p>(2) On receipt of an application mentioned in subsection (1), the minister may:</p> <ul style="list-style-type: none"> <li>(a) approve the application subject to any terms and conditions that the minister considers appropriate if the minister is satisfied that: <ul style="list-style-type: none"> <li>(i) the applicant has complied with the Act and the rules;</li> <li>(ii) the applicant meets the eligibility requirements set out in section 3-1; and</li> <li>(iii) it is in the public interest to do so; or</li> </ul> </li> <li>(b) refuse to approve the application.</li> </ul> <p>(3) If the minister refuses to approve an application pursuant to clause (2)(b), the minister shall provide the applicant with written reasons for the refusal.</p> | <p>Subsection (1) explicitly sets out the requirements for submitting applications for approvals pursuant to the Act and its rules, supplemental to application requirements for a licence set out in the act.</p> <p>Subsection (2) outlines the minister's authority to make decisions to approve or refuse to approve the application and factors may be considered to make the decision.</p> |
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| EXISTING in <i>The Pipelines Regulations, 2000</i> | PROPOSED PALR  | EXPLANATION  |
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|  | <p><b>General licensing provisions</b></p> <p><b>3-3(1)</b> The minister may suspend or cancel a licence:</p> <p>(a) if the construction of a pipeline has not commenced within 2 years after the licence has been issued; or</p> <p>(b) if the licence holder ceases to meet the eligibility requirements set out in section 3-1.</p> <p>(2) If a licence is suspended or cancelled pursuant to subsection (1) or section 12 of the Act:</p> <p>(a) all rights and privileges conveyed by the licence are suspended or cancelled, as the case may be; and</p> <p>(b) the responsibility of the licence holder for the pipeline continues after the suspension or cancellation of the licence with respect to any obligations of the licence holder pursuant to the Act and the rules as if the licence were not suspended or cancelled.</p> | <p>This section provides clarity on pipeline licensing including:</p> <ul style="list-style-type: none"> <li>• situations where the minister may suspend or cancel a licence in addition to section 12 of the Act.</li> <li>• right and privileges suspended or cancelled with a licence suspension and cancellation</li> <li>• licence holder obligations continue after a licence suspension and cancellation</li> </ul> |
| NEW  | <p>PART 4</p> <p><b>Licensing of Previously Exempt Pipelines</b></p>   | New name of Part   |

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| NEW | <p><b>Definitions for Part</b></p> <p><b>4-1</b> In this Part:</p> <p><b>“implementation date”</b> means the date set out in section 1-6;</p> <p><b>“orphaned pipeline”</b> means a previously exempt pipeline if a person responsible for the pipeline was known, but no longer exists;</p> <p><b>“pipeline of undetermined ownership”</b> means a previously exempt pipeline whose ownership the minister is unable to determine, to the satisfaction of the minister, or any other previously exempt pipeline with respect to which the minister determines that the owner is unknown, for the purposes of registration;</p> <p><b>“previously exempt pipeline”</b> means a previously exempt pipeline as defined in subsection 5(1) of the Act:</p> <ul style="list-style-type: none"> <li>(a) that was completed before the implementation date; or</li> <li>(b) with respect to which the owner satisfies the minister that it was in the process of being built before the implementation date;</li> </ul> <p><b>“transitional period”</b> means the date commencing on the implementation date and ending on the day that is 4 years after the implementation date.</p> | <p>The section defines terms used in relation to the licensing of previously exempt pipelines.</p> |
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| EXISTING in <i>The Pipelines Regulations, 2000</i> | PROPOSED PALR  | EXPLANATION  |
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| NEW  | <p><b>Prescribed date for the purposes of subsection 5(3) of the Act</b></p> <p><b>4-2</b> For the purpose of subsection 5(3) of the Act, but subject to the requirements of this Part, the prescribed date to commence the licensing of all previously exempt pipelines is the implementation date.</p> | <p>This section provides regulatory authority and establishes the commencement date for licensing previously exempt pipelines.</p> |

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| NEW | <p><b>Application for licence</b></p> <p><b>4-3(1)</b> Subject to subsections (2) and (3), every owner of a previously exempt pipeline shall apply in an approved form and manner for a licence before the expiry of the transitional period.</p> <p>(2) Within 12 months after the implementation date, every owner of a previously exempt pipeline shall submit to the minister in an approved form and manner a plan that is satisfactory to the minister setting out:</p> <ul style="list-style-type: none"> <li>(a) the estimated number of known previously exempt pipelines of the owner remaining unlicensed that are required to be licensed by the owner before the end of the transitional period; and</li> <li>(b) the actions the owner intends to undertake to ensure it meets its obligations to licence any previously exempt pipelines remaining unlicensed before the expiry of the transitional period.</li> </ul> <p>(3) After reviewing the plan, the minister may:</p> <ul style="list-style-type: none"> <li>(a) approve the plan; or</li> <li>(b) refuse to approve the plan.</li> </ul> <p>(4) If the minister refuses to approve the plan pursuant to clause (3)(b), the minister:</p> | <p>This section establishes detailed application requirements for licensing previously exempt pipelines. It also provides continuity for the owner to continue operating the pipeline during the transitional period.</p> |
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| EXISTING in <i>The Pipelines Regulations, 2000</i> | PROPOSED PALR  | EXPLANATION |
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|  | <p>(a) shall provide the owner with written reasons for the refusal; and</p> <p>(b) may direct the owner to submit a revised plan containing the information requested by the minister.</p> <p>(5) Notwithstanding section 4-2, an owner of a previously exempt pipeline who does not hold a licence may continue to operate that pipeline during the transitional period if the owner complies with all provisions of the Act and the rules imposing requirements and obligations other than the requirement:</p> <p>(a) to hold a licence; and</p> <p>(b) to obtain any approval mentioned in subsection 3-2(1).</p> <p>(6) The minister may direct an owner to apply for a licence at any time during the transitional period if the minister determines that a licence is necessary for the purposes of public safety or to protect the environment.</p> |             |

| EXISTING in <i>The Pipelines Regulations, 2000</i> | PROPOSED PALR  | EXPLANATION  |
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| NEW  | <p><b>Obligation to notify minister</b></p> <p><b>4-4</b> If an operator discovers the existence of a previously exempt pipeline that the operator reasonably believes has no owner during or after the transitional period, the operator shall notify the minister of the existence of the pipeline.</p>  | <p>This section requires an operator to notify the minister if they encounter a previously exempt pipeline that has now owner, so the ministry can take actions to ensure the pipeline to be properly registered or recorded.</p>  |
| NEW  | <p><b>Licensing of orphaned pipelines</b></p> <p><b>4-5(1)</b> If, on or after the implementation date, an unlicensed pipeline that is an orphaned pipeline, is identified, the minister may, without application, register a licence in the name of the owner of the pipeline.</p> <p>(2) All provisions of the Act and the rules imposing requirements and obligations apply to the owner of the unlicensed pipeline mentioned in subsection (1) on and after the implementation date.</p> | <p>This section clarifies how the minister may register orphaned pipelines under the name of the known owner, even though the owner does not exist anymore.</p> <p>For example, an orphaned pipeline was owned by ABC, ABC was dissolved in 2016 and does not exist anymore. The minister may still register the orphaned pipeline under the ownership of ABC.</p> |

| EXISTING in <i>The Pipelines Regulations, 2000</i> | PROPOSED PALR   | EXPLANATION  |
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| NEW  | <p><b>Records for and licensing of pipelines of undetermined ownership</b></p> <p><b>4-6(1)</b> Notwithstanding section 4-2, in the case of a pipeline of undetermined ownership that is not licensed, the minister may:</p> <p style="padding-left: 40px;">(a) create a record in the registry for that pipeline that states that the licence holder is undetermined; and</p> <p style="padding-left: 40px;">(b) record the address for service with respect to that pipeline as the address of the minister.</p> <p>(2) If the ownership of a pipeline of undetermined ownership that is not licensed is subsequently established to the satisfaction of the minister or determined by a court of competent jurisdiction, the minister shall register a licence for that pipeline in the name of the owner but only if the owner meets all other requirements of the Act and the rules.</p> | <p>This provision considers situations where an owner cannot be determined. Under the proposed regulation, the minister can create a record until the ownership is determined by a Court or until the minister is satisfied with proof of the ownership.</p> |

| EXISTING in <i>The Pipelines Regulations, 2000</i>  | PROPOSED PALR  | EXPLANATION   |
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| NEW   | <p><b>Discovery of unlicensed pipeline after expiry of transitional period</b></p> <p><b>4-7(1)</b> If the owner of a previously exempt pipeline discovers the existence of that pipeline after the expiry of the transitional period, the owner shall:</p> <p style="padding-left: 40px;">(a) immediately notify the minister of the existence of the previously exempt pipeline; and</p> <p style="padding-left: 40px;">(b) apply for a licence for that pipeline within 90 days.</p> <p>(2) The owner of a pipeline mentioned in subsection (1) may continue to operate the pipeline in accordance with the Act and the rules until the minister determines if a licence will be issued for that pipeline, unless the minister notifies the owner that the owner is not authorized to continue to operate the pipeline.</p> | This section deals with unlicensed previously exempt pipelines that are discovered after the expiry of the transitional period. The provision requires the owner to notify the minister immediately and apply for a licence within 90 days. |
| NEW   | <p style="text-align: center;">PART 5</p> <p style="text-align: center;"><b>Administrative Levies</b></p>  | New name of Part  |
| <p><b>Administrative levy</b></p> <p><b>3.1</b> It is a condition of every licence issued pursuant to the Act that the licence holder pay the administrative levy imposed in accordance with section 9.11 of <i>The Oil and Gas Conservation Act</i>.</p> | <p><b>Administrative levy</b></p> <p><b>5-1</b> It is a condition of every licence issued pursuant to the Act that the licence holder pay the administrative levy imposed in accordance with section 9.11 of <i>The Oil and Gas Conservation Act</i>.</p>  | No substantive change.  |



| EXISTING in <i>The Pipelines Regulations, 2000</i> | PROPOSED PALR  | EXPLANATION   |
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| NEW  | PART 6<br><b>Administrative Penalties</b>  | New name of Part  |
| NEW  | <p><b>Administrative penalties</b></p> <p><b>6-1(1)</b> For the purposes of section 30.1 of the Act, the minister may assess a penalty for a contravention of a provision of the Act or the rules set out in Tables 1 and 2 of the Appendix.</p> <p>(2) The administrative penalty the minister may assess with respect to each contravention set out in Table 1 of the Appendix is:</p> <p style="padding-left: 40px;">(a) for an individual, a maximum of \$500 per day to a maximum of \$20,000;</p> <p style="padding-left: 40px;">(b) for a corporation, a maximum of \$5,000 per day to a maximum of \$200,000.</p> <p>(3) The administrative penalty the minister may assess with respect to each contravention set out in Table 2 of the Appendix is \$100 per day to a maximum of \$20,000.</p> | <p>This section details contraventions that are subject to an administrative penalty.</p> <p>Two classes of penalties are set up to reflect the nature of the contraventions.</p> |

| EXISTING in <i>The Pipelines Regulations, 2000</i>  | PROPOSED PALR  | EXPLANATION  |
|---|--|--|
| NEW   | PART 7<br>Taking and Using Land  | New name of Part   |
| NEW   | <b>Surface access limitations</b><br><br><b>7-1</b> A licence does not grant a right of entry onto the surface nor the use of surface lands.   | This section is added to reaffirm that a pipeline licence does not grant any right of entry of surface land. Similar provision exists in <i>The Oil and Gas Conservation Regulations, 2012</i> . |
| <b>Consent re entry on lands</b><br><br><b>24</b> An applicant requesting consent from the minister pursuant to section 13 of the Act shall provide the minister with evidence that the applicant:<br><br>(a) contacted the owner, explained the purpose of the intended entry and discussed the route of the pipeline; or<br><br>(b) was unable to contact the owner after taking all reasonable steps to do so. | <b>Consent re entry on lands</b><br><br><b>7-2</b> An applicant requesting consent from the minister pursuant to section 13 of the Act shall provide evidence that is satisfied to the minister that the applicant:<br><br>(a) contacted the owner, explained the purpose of the intended entry and discussed the route of the pipeline; or<br><br>(b) was unable to contact the owner after taking all reasonable steps to do so. | No substantive change.   |
|   | PART 8<br>Repeal   |  |
|   | <b>RRS c P-12.1 Reg 1 repealed</b><br><br><b>8-1</b> <i>The Pipelines Regulations, 2000</i> are repealed.  |  |

| EXISTING in <i>The Pipelines Regulations, 2000</i>   | PROPOSED PALR  | EXPLANATION  |
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| NEW  | PART 9<br>Coming into Force  | New name of Part   |
| <p><b>Coming into force</b></p> <p><b>26(1)</b> Subject to subsection (2), these regulations come into force on the day on which section 1 of <i>The Pipelines Act, 1998</i> comes into force.</p> <p>(2) If these regulations are filed with the Registrar of Regulations after the day on which section 1 of <i>The Pipelines Act, 1998</i> comes into force, these regulations come into force on the day on which they are filed with the <i>Registrar of Regulations</i>.</p> | <p><b>Coming into force</b></p> <p><b>9-1(1)</b> Subject to subsection (2), these regulations come into force on November 12, 2019.</p> <p>(2) If these regulations are filed with the Registrar of Regulations after November 12, 2019, these regulations come into force on the day on which they are filed with the Registrar of Regulations.</p> | <p>The regulations will come in force on November 12, 2019, the date when the pipeline electronic licence system will be launched.</p> |

| NEW  | <p style="text-align: center;"><b>Appendix</b></p> <p style="text-align: center;">TABLE 1<br/><b>Provisions for which Administrative Penalty<br/>May be Imposed</b><br/>[Subsection 6-1(2)]</p> <table border="1"> <thead> <tr> <th>Item</th><th>Description of Contravention</th><th>Provisions of Act or Rules</th></tr> </thead> <tbody> <tr> <td>1</td><td>Failure to obtain a licence before constructing, altering, operating or abandoning a pipeline or discontinuing the operation of a pipeline</td><td>subsection 5(2) of the Act</td></tr> <tr> <td>2</td><td>Failure to comply with a notice of contravention</td><td>section 11 of the Act</td></tr> <tr> <td>3</td><td>Failure to comply with a minister's order</td><td>subsection 12(1) of the Act;</td></tr> </tbody> </table> | Item                         | Description of Contravention | Provisions of Act or Rules | 1 | Failure to obtain a licence before constructing, altering, operating or abandoning a pipeline or discontinuing the operation of a pipeline | subsection 5(2) of the Act | 2 | Failure to comply with a notice of contravention | section 11 of the Act | 3 | Failure to comply with a minister's order | subsection 12(1) of the Act; | <p>The appendix provides a detailed list of contraventions that are subject to administrative penalties.</p> |
|------|--|------------------------------|------------------------------|----------------------------|---|--|----------------------------|---|--|-----------------------|---|---|------------------------------|--|
| Item | Description of Contravention   | Provisions of Act or Rules   |                              |                            |   |  |                            |   |  |                       |   |   |                              |  |
| 1    | Failure to obtain a licence before constructing, altering, operating or abandoning a pipeline or discontinuing the operation of a pipeline   | subsection 5(2) of the Act   |                              |                            |   |  |                            |   |  |                       |   |   |                              |  |
| 2    | Failure to comply with a notice of contravention   | section 11 of the Act        |                              |                            |   |  |                            |   |  |                       |   |   |                              |  |
| 3    | Failure to comply with a minister's order  | subsection 12(1) of the Act; |                              |                            |   |  |                            |   |  |                       |   |   |                              |  |

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|  |   |  | subsection 26(2) of the Act         |  |
|  | 4 | Failure to notify the minister of an incident  | Directive PNG014                    |  |
|  | 5 | Failure to activate Emergency Response Plan and take immediate steps to resolve the incident | Directive PNG014                    |  |
|  | 6 | Failure to provide reasonable assistance to an inspector carrying out an inspection or audit | subclause 24.1(3)(c)(ii) of the Act |  |
|  | 7 | Failure to locate a pipeline in accordance with the rules when required                      | Directive PNG034                    |  |

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|  | 8  | Failure to provide prior notice to operator when undertaking a ground disturbance within 30 metres of a pipeline | subsection 20(1) of the Act  |
|  | 9  | Failure to apply for a licence for a previously exempt pipeline as required                                      | subsection 4-3(1) of <i>The Pipelines Administration and Licensing Regulations</i> |
|  | 10 | Failure to submit to the minister a required plan with respect to a previously exempt pipeline                   | subsection 4-3(2) of <i>The Pipelines Administration and Licensing Regulations</i> |

| EXISTING in <i>The Pipelines Regulations, 2000</i> | PROPOSED PALR  | EXPLANATION                |                              |                            |   |  |                  |   |  |                       |  |
|--|--|----------------------------|------------------------------|----------------------------|---|--|------------------|---|--|-----------------------|--|
|  | <p style="text-align: center;">TABLE 2<br/>Provisions for which Administrative Penalty<br/>May be Imposed<br/>[Subsection 6-1(3)]</p> <table border="1"> <thead> <tr> <th data-bbox="821 418 919 594">Item</th><th data-bbox="919 418 1213 594">Description of Contravention</th><th data-bbox="1213 418 1409 594">Provisions of Act or Rules</th></tr> </thead> <tbody> <tr> <td data-bbox="821 594 919 894">1</td><td data-bbox="919 594 1213 894">Failure to provide a detailed incident report, incident reclamation report or root cause analysis report</td><td data-bbox="1213 594 1409 894">Directive PNG014</td></tr> <tr> <td data-bbox="821 894 919 1146">2</td><td data-bbox="919 894 1213 1146">Failure to provide complete and accurate information to the minister as required</td><td data-bbox="1213 894 1409 1146">section 22 of the Act</td></tr> </tbody> </table> | Item                       | Description of Contravention | Provisions of Act or Rules | 1 | Failure to provide a detailed incident report, incident reclamation report or root cause analysis report | Directive PNG014 | 2 | Failure to provide complete and accurate information to the minister as required | section 22 of the Act |  |
| Item   | Description of Contravention   | Provisions of Act or Rules |                              |                            |   |  |                  |   |  |                       |  |
| 1  | Failure to provide a detailed incident report, incident reclamation report or root cause analysis report   | Directive PNG014           |                              |                            |   |  |                  |   |  |                       |  |
| 2  | Failure to provide complete and accurate information to the minister as required   | section 22 of the Act      |                              |                            |   |  |                  |   |  |                       |  |

Schedule 1

**The following provisions in *The Pipelines Regulations, 2000* (PR) will be repealed and no similar provisions are provided in *The Pipelines Administration and Licensing Regulations*. Some technical requirements may be incorporated into the *Directive PNG034: Saskatchewan Pipelines Code*.**

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| <p><b>Licence application</b></p> <p><b>3(1)</b> An application for a licence is to include the following information and material:</p> <p>(a) a white print copy of the plan of the pipeline showing:</p> <p>(i) the location of the pipeline in its entirety and the land descriptions necessary to properly locate the pipeline;</p> <p>(ii) the location of pumping stations and compressor stations, the location of all valves used for isolating and sectionalizing the pipeline and the location of all tanks used in pipeline operation;</p> <p>(b) a typical profile and cross-section of the pipeline indicating the depth of burial;</p> <p>(c) a typical road crossing profile;</p> <p>(d) a stream crossing profile for each stream to be crossed;</p> <p>(e) a description of the substance to be transported by the pipeline;</p> <p>(f) the legal description of the starting point and the end-point of the pipeline;</p> <p>(g) the length of the pipeline;</p> | <p><b>Repealed</b></p> | <p>New technical requirements for licence application is included in Chapter 4 of Directive PNG034: <i>Saskatchewan Pipelines Code</i>, which is pending for cabinet approval.</p> <p>Chapter 4 in Directive PNG034 outlines all aspects of application requirements, including, but not limited to, licence expiry, reporting, pipeline spatial data, required data, etc.</p> <p>The new requirements allow for less interpretation and more transparency to industry.</p> <p>The application requirements are also now risk based which allows low-risk submissions to be automatically approved when submitted. When higher risk applications are submitted, additional data and attachments become mandatory. Data that is not relevant to the submission, based on risk, will not be asked for.</p> |
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| <p>(h) the size or sizes of pipe to be used, the wall thickness of the pipe and the pipe grade;</p> <p>(i) the type of protective coating to be used on the pipe;</p> <p>(j) the expected daily flow rate of the pipeline;</p> <p>(k) the design pressure and the maximum operating pressure that the pipeline is expected to be qualified to by pressure testing;</p> <p>(l) <b>Repealed.</b> 2014, c.21, s.18.</p> <p>(m) any other information that the minister may require.</p> <p>(2) Any material or information to be submitted with an application, including any statements mentioned in section 4 or 5, may be provided to the ministry in an electronic format acceptable to the minister.</p> |  |  |
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| <p><b>Notifications and easements</b></p> <p><b>4(1)</b> Every application for a licence is to include a statement that the following have been notified respecting the pipeline:</p> <ul style="list-style-type: none"> <li>(a) all municipalities that the pipeline crosses or is located within;</li> <li>(b) the Ministry of Environment (Environmental Assessment &amp; Stewardship Branch);</li> <li>(c) if the pipeline is located within 1.5 kilometres of the boundaries of an urban municipality, the Ministry of Government Relations (Community Planning Branch);</li> <li>(d) if there are any archeological sites along the pipeline right of way, the Ministry of Parks, Culture and Sport (Heritage Conservation Branch);</li> <li>(e) if the pipeline is for fresh water transportation, the Saskatchewan Water Corporation;</li> <li>(f) if the pipeline is located within 30 metres of a utility or pipeline, the operator of that utility or pipeline;</li> <li>(g) all surface landowners whose property the pipeline crosses or is located within;</li> </ul> | <p><b>Repealed</b></p> | <p>This section is repealed.</p> <p>The pipeline licence issued by ER is not an approval for activities outside the design, construction or operation of the pipeline. The licence also does not grant any right of entry onto the surface nor the use of surface land.</p> <p>It is the responsibility of all licence holders and operators, as specified in the legislation, to be aware of other government agencies' requirements and to ensure compliance with all requirements. This includes obtaining approvals from other government agencies or landowners where applicable.</p> |
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| <p>(h) all Indian bands whose reserve the pipeline crosses or is located within.</p> <p>(2) Every application for a licence is to indicate whether all easements have been obtained.</p> <p>(3) Every application for a licence is to indicate whether all municipalities that the pipeline crosses or is located within have signed the construction plans as proof of notification.</p> <p>(4) In this section:</p> <p>(a) <b>“Indian band”</b> means a band within the meaning of the <i>Indian Act</i> (Canada) and includes the council of a band;</p> <p>(b) <b>“reserve”</b> means a reserve within the meaning of the <i>Indian Act</i> (Canada)</p> |  |  |
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| Approvals and certification  | Repealed |   |
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| <p>5(1) If the prior written consent of the minister responsible for the administration of <i>The Highways and Transportation Act, 1997</i> is required pursuant to section 14 of the Act respecting a pipeline, the application is to include a statement that the prior written consent has been obtained.</p> <p>(2) Every application for a licence is to include a certification from a professional engineer, as defined in <i>The Engineering and Geoscience Professions Act</i>, that the pipeline has been designed in accordance with the standards mentioned in section 12.</p> |          | <p>Subsection 5(1) is revised and moved to Chapter 3.1 of Directive PNG034. Highways Disclosure Questions are asked instead of a prior written during the licence application pursuant to Section 14 of <i>The Pipelines Act, 1998</i>.</p> <p>All new pipeline application will need to submit through ER's Integrated Resource Information System(IRIS).</p> <p>To risk inform the Highways requirement, applications, that include ground disturbance will ask two Highways Disclosure Questions. If either is answered 'Yes', a Highways approval number is required. The Highways approval document will no longer be submitted with the application, however, the approval number is required so a notification can be sent to the Ministry of Highways and Infrastructure.</p> <p>Subsection 5(2) is revised, moved to Chapter 2.4 of Directive PNG034, and will be applied more flexibly based on risk.</p> <p>For applications that do not impact pipeline design or integrity, the Engineering certification question: "Has a professional engineer registered in Saskatchewan certified the engineering design used for this submission?" can be answered N/A/. The certification now encompasses flowline design to say that a single engineering certification for a typical flowline design can be used for multiple flowline applications.</p> |

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| <p><b>When construction must begin</b></p> <p>6(1) Subject to subsection (2), a licence issued for the construction of a pipeline expires one year from the date of issuance if construction has not begun within that period.</p> <p>(2) If an extension is requested by the licence holder, the licence may be extended for subsequent periods of six months at the discretion of the minister.</p> | <p><b>Repealed</b></p> | <p>This section is revised and moved to Chapter 4.2 of Directive PNG034.</p> <p>The proposed change in the Directive PNG034 is that a licence will expire two years from the date of issuance if construction has not started within that period. This would give industry additional flexibility and avoid administrative work for requesting and processing licence extension. Operators will receive a notification 30 days prior to the licence expiration.</p> |
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| Alterations of pipeline  | Repealed |   |
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| <p><b>7</b> A licence holder applying for a licence or an amendment to a licence to permit the alteration of a pipeline shall include the following with the application:</p> <ul style="list-style-type: none"><li>(a) the reasons for the proposed alteration;</li><li>(b) the details of the proposed alteration, including highlighting the changes from the original plan of the pipeline;</li><li>(c) <b>Repealed.</b> 2014, c.21, s.18.</li></ul> |          | <p>This section is repealed. The minister will determine the approved form and manner for the alternation application based on the risk associated with the application.</p> <p>Risk rules have been assigned specifically to each application process (licence and amendments) in IRIS that allows immediate approval of low-risk applications and that prompt a non-routine application if the proposed change is considered 'high-risk'. Non-routine applications will be reviewed by a subject matter expert who will decide if the application is approved or denied based upon their review.</p> <p>To ensure all alterations are captured, an events log is created for each licenced pipeline and segments within the licence.</p> <p>The amount of information required from industry has been substantially reduced for low-risk application. Applicants have the option of attaching a cover letter with each application to provide additional information.</p> |

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| <p><b>Discontinuation of pipeline</b></p> <p><b>8</b> A licence holder applying for a licence or an amendment to a licence to permit the discontinuation of a pipeline shall include the following with the application:</p> <ul style="list-style-type: none"> <li>(a) the reasons for the discontinuation;</li> <li>(b) the expected duration of the discontinuation;</li> <li>(c) a description of the state that the pipeline will be in during the discontinuation;</li> <li>(d) an undertaking respecting the maintenance of cathodic protection.</li> </ul> | <p><b>Repealed</b></p> | <p>Approval is no longer required before conducting discontinuation of pipeline in the new electronic application system as this is a low-risk process.</p> <p>Operators are now required to report the discontinuation within 90 days of completing the discontinuation operation through IRIS. The line's status will instantaneously change to 'Discontinued' once the discontinuation is reported in the new electronic application system. Chapter 4.4 of Directive PNG034 outlines the reporting requirements for discontinuation.</p> |
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| <p><b>Abandonment of pipeline</b></p> <p><b>9</b> A licence holder applying for a licence or an amendment to a licence to permit the abandonment of a pipeline shall include the following with the application:</p> <ul style="list-style-type: none"> <li>(a) the reasons for the abandonment;</li> <li>(b) the details of the abandonment procedure, which is to include: <ul style="list-style-type: none"> <li>(i) the purging of the substance carried by the pipeline using fresh water, air, an inert gas or other cleaning substance;</li> <li>(ii) the cutting of the pipeline at both ends at the buried depth and the welding of steel plates or caps over the openings; and</li> <li>(iii) the removal of all above-ground facilities and the restoration of any land utilized by the pipeline.</li> </ul> </li> </ul> | <p><b>Repealed</b></p> | <p>Approval is no longer required before conducting abandonment of pipeline in the new electronic application system as this is a low-risk process.</p> <p>Operators are now required to report the abandonment within 90 days of completing the abandonment operation through IRIS. The line's status will instantaneously change to 'Abandoned' once the abandonment is reported in the electronic application system. Chapter 4.4 of Directive PNG034 outlines the reporting requirements for discontinuation.</p> |
| <p><b>Ministry to be notified before construction</b></p> <p><b>10</b> A licence holder shall notify the ministry within 24 hours after the start of construction of a pipeline for which a licence has been issued.</p>  | <p><b>Repealed</b></p> | <p>This section is revised and moved to Chapter 3.4 of Directive PNG034.</p> <p>The notification requirement is changed to 24 hours prior to construction to ensure field staff have adequate time to prepare for inspection. Clarification of construction is also provided in the Directive. The system will calculate a risk level for the pipeline that determines whether a field inspection by an ER representative is needed.</p>  |

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| <p><b>Pipelines near highways</b></p> <p><b>11</b> No person shall construct a pipeline within 90 metres of the surveyed limit of a provincial highway or within 30 metres of the surveyed limit of a road other than a provincial highway without the prior written consent of the Minister of Highways and Transportation.</p> | <p><b>Repealed</b></p> | <p>This is moved to Chapter 3.1 of Directive PNG034 without changes.</p> <p>To risk inform the Highways requirement, applications, that include ground disturbance will ask two Highways Disclosure Questions. If either is answered 'Yes', a Highways approval number is required. The Highways approval document will no longer be submitted with the application, however, the approval number is required so a notification can be sent to the Ministry of Highways and Infrastructure.</p> |
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| Requirements re design, etc.   | Repealed               |   |
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| <p><b>12(1)</b> The minimum requirements for the design, construction, testing, operation, maintenance and repair of pipelines shall be in accordance with the most recent version of CSA Standard Z662, <i>Oil and Gas Pipeline Systems</i>, unless otherwise approved by the minister.</p> <p>(2) Notwithstanding subsection (1), if an applicant proposes to use materials or components manufactured to standards not listed in the appropriate CSA standard, the applicant shall provide sufficient evidence to demonstrate the suitability of those materials or components for the intended purpose, and the minister may, if satisfied of their suitability, approve the use of those materials or components.</p> <p>(3) The minimum requirements for leak detection procedures on hydrocarbon liquid pipelines other than multi-phase pipelines must be in accordance with Appendix E of the most recent version of CSA Standard Z662, <i>Oil and Gas Pipeline Systems</i>.</p> <p>(4) If there is a conflict between the standards mentioned in subsections (1), (2) and (3) and these regulations, these regulations prevail.</p> <p>(5) If the appropriate CSA standard requires that a pipeline be altered because of a change in the pipeline's surroundings, or due to a revision to</p> | <p><b>Repealed</b></p> | <p>This is moved to Chapter 2 of Directive PNG034 without substantive changes.</p> <p>12(1) is moved to Chapter 2.1 of Directive PNG034</p> <p>12(2) is moved to Chapter 2.3 of Directive PNG034</p> <p>12(3) is repealed as CSA Z662 Annex E is now normative instead of informative</p> <p>12(4) is moved to Chapter 2.1 of Directive PNG034</p> <p>12(5) is moved to Chapter 2.2 of Directive PNG034</p> |

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| the standard, the minister may exempt the pipeline from the required modifications if the operator demonstrates that the pipeline is suitable and safe for continued operation under the original standard. |  |  |
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| <p><b>Pipelines to be marked</b></p> <p><b>13(1)</b> Every operator shall mark with conspicuous signs on the limits of a provincial highway or a road the place at which a pipeline enters and leaves or crosses under the provincial highway or road.</p> <p>(2) The signs must show:</p> <ul style="list-style-type: none"> <li>(a) the name and telephone number of the operator;</li> <li>(b) the name of the pipeline, if the name is different from the name of the operator;</li> <li>(c) the warning notice; and</li> <li>(d) the substance that the pipeline transports.</li> </ul> <p>(3) An operator must locate a pipeline within 72 hours, excluding weekends and holidays, when requested to do so by anyone intending to undertake a ground disturbance.</p> <p>(4) All non-metallic pipelines must be constructed with an electrically conductive wire for the purpose of locating the pipelines.</p> | <p><b>Repealed</b></p> | <p>Subsection 13(3) is moved to Chapter 3.2 Directive PNG034.</p> <p>Requirements in subsection 13(1)(2)(4) are repealed because they are duplicative with requirements in the CSA Z662.</p> |
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| <p><b>Emergency procedures manual</b></p> <p><b>14</b> Every operator of a pipeline for which a licence has been issued shall:</p> <p>(a) prepare and maintain an emergency procedures manual that sets out the action to be taken and the agencies and persons to be contacted in the event of a rupture, break, leak or fire; and</p> <p>(b) ensure that the emergency procedures manual is up to date and readily accessible to operating and maintenance personnel.</p>   | <p><b>Repealed</b></p> | <p>This section is repealed. All pipeline operators are required to follow the Directive PNG014 which contains requirements for emergency response.</p> |
| <p><b>Transported substances to be measured</b></p> <p><b>15(1)</b> For the purposes of leak detection and material balance, every operator of a pipeline for which a licence has been issued shall ensure that all substances transported by that pipeline are measured accurately to a degree acceptable to the minister.</p> <p>(2) Notwithstanding subsection (1), where an operator is in charge or has control of a number of interconnected pipelines for which separate licences have been issued, the operator is not required to measure the substances being transported by those interconnected pipelines more than once.</p> | <p><b>Repealed</b></p> | <p>This section is repealed. CSA Z662 Annex E addresses leak detection requirements.</p>  |

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| <p><b>Inspections</b></p> <p><b>16(1)</b> All pipelines are subject to a visual inspection by a representative of the minister at any time during construction or operation.</p> <p>(2) Notwithstanding subsection (1), the representative of the minister must provide the operator with 48 hours' notice if the inspection is to involve pressure testing, adjustments to valves or pumping speeds or similar activities and the operator must be present during those activities.</p> <p>(3) The representative of the minister must provide written notification to the operator of any corrective measures to be taken by the operator except in the case of a rupture, break, leak or damage by a third party that requires immediate action or repair.</p> <p>(4) If the operator incurs any costs during or as a result of the inspection, those costs are to be borne by the operator.</p> | <p><b>Repealed</b></p> | <p>This section is superseded by Section 24.1 of <i>The Pipeline Act, 1998</i>.</p> |
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| Pressure testing  | Repealed               |  |
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| <p><b>17(1)</b> No operator shall commence operation of a pipeline until all piping has been pressure tested in accordance with the most recent version of CSA Standard Z662, <i>Oil and Gas Pipeline Systems</i>, or in accordance with another method approved by the minister.</p> <p>(2) The operator of a pipeline for which a licence has been issued shall give the ministry a minimum of 24 hours' notice before conducting a pressure test on the pipeline.</p> <p>(3) Where the minister has reason to doubt the integrity of a pipeline or portions of a pipeline, he or she may request at any time during the operation of the pipeline:</p> <p style="padding-left: 40px;">(a) additional pressure tests on the pipeline or any portion of the pipeline; or</p> <p style="padding-left: 40px;">(b) special electronic surveys on the pipeline or any portion of the pipeline.</p> <p>(4) Where the minister makes a request pursuant to subsection (3), the operator shall comply with the request within the period specified by the minister.</p> <p>(5) The initial pressure test on a pipeline for which a licence has been issued must follow the procedures as submitted with the application for</p> | <p><b>Repealed</b></p> | <p>Detailed pressure testing requirements are included in Chapter 2.7 of Directive PNG034.</p> <p>17(1) is moved to 2.7.1 of Directive PNG034.</p> <p>17(2) is moved to 2.7.2 of Directive PNG034 and the notification has been changed from 24 to 48 hours prior to the pressure test. This requirement was increased from 24 hours to 48 hours to ensure field staff have adequate time to prepare for the inspection if it poses a high risk, as determined by a risk score given to the notification. It also aligns with the Alberta Energy Regulator's requirement.</p> <p>17(3) and 17(4) are moved to Chapter 3.6 of Directive PNG034.</p> <p>17(5) has been repealed as we no longer require submission of pressure test procedures. Instead, Chapter 2.7 outlines:</p> <ul style="list-style-type: none"> <li>• The minimum test pressure;</li> <li>• Requirements when pressure testing with mixed materials; and,</li> <li>• Pressure and temperature recording requirements.</li> </ul> <p>These requirements lay a consistent foundation for all operators to follow when performing their pressure tests.</p> <p>17(6) is moved to Chapter 2.7.1 of Directive PNG034. Pressure tests are to be submitted only for transmission pipelines. No ER approvals of pressure tests will be required for flowlines.</p> |



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| <p>the licence, or other procedures that have been approved by the minister.</p> <p>(6) The operator of a pipeline for which a licence has been issued shall submit the results of a pipeline test conducted pursuant to this section to the ministry in a form acceptable to the minister.</p>   |                        |  |
| <p><b>Leave to open required</b></p> <p><b>18</b> No operator of a pipeline for which a licence has been issued shall commence the operation of the pipeline before being granted a leave to open by the minister.</p>  | <p><b>Repealed</b></p> | <p>The proposed requirements in Chapter 4.3(2) of Directive PNG034 will allow the minister to grant an exemption for certain operations from submitting a leave to open application.</p> |
| <p><b>Maximum operating pressure</b></p> <p><b>19</b> No pipeline for which a licence has been issued shall be operated at a pressure exceeding the maximum operating pressure specified:</p> <p>(a) in the leave to open granted by the minister; or</p> <p>(b) in the licence, where the licence has been amended to include the maximum operating pressure after the leave to open has been granted.</p> | <p><b>Repealed</b></p> | <p>This requirement is moved to Chapter 2.8.1 of Directive PNG034.</p>   |

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| <p><b>Notification of fires, etc.</b></p> <p><b>20(1)</b> Every operator shall immediately notify the ministry, by the most expeditious method, of the occurrence of any of the following:</p> <ul style="list-style-type: none"> <li>(a) a fire;</li> <li>(b) the escape or release of more than 28,000 cubic metres of natural gas;</li> <li>(c) contact damage to a pipeline;</li> <li>(d) a break, leak, malfunction of any equipment or a worker error that results in the escape or release of: <ul style="list-style-type: none"> <li>(i) oil, salt water, condensate or other product;</li> <li>(ii) natural gas within a road or railway right of way or within 150 metres of any dwelling; or</li> <li>(iii) natural gas containing hydrogen sulphide.</li> </ul> </li> </ul> <p>(2) Where an incident mentioned in subsection (1) occurs, the operator shall take immediate action in accordance with the emergency procedures manual.</p> <p>(3) Notwithstanding subclause (1)(d)(i) but subject to subsection 21(3), an operator is not required to notify the ministry where the volume of oil, salt water, condensate or other product that escapes or is released is less than 1.6 cubic metres and is contained on property that the operator owns or leases.</p> | <p><b>Repealed</b></p> | <p>This section is superseded by the Directive PNG014.</p> |
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| <p><b>Written reports</b></p> <p><b>21(1)</b> Every operator shall, within 30 days after notifying the ministry pursuant to section 20, submit a written report to the ministry containing:</p> <ul style="list-style-type: none"> <li>(a) the date and time and exact location where the incident occurred;</li> <li>(b) the action taken by the operating personnel, including details of any remedial clean-up steps taken, in progress or proposed;</li> <li>(c) the human injuries or fatalities;</li> <li>(d) a description of any environmental damage;</li> <li>(e) a description of the quantities of substances spilled, lost or burnt and a further estimate of any subsequent recovery;</li> <li>(f) a description of the cause of the incident, including any related technical report; and</li> <li>(g) a description of the preventative action the operator intends to take to prevent a similar future occurrence.</li> </ul> <p>(2) If a metallurgical report or other laboratory studies are required to determine the cause of a</p> | <p><b>Repealed</b></p> | <p>This section is superseded by the Directive PNG014.</p> |
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| <p>break, leak or malfunction of equipment, an additional period not exceeding six months may be granted by the minister for the submission of a final written report that addresses all items set out in subsection (1) as long as a preliminary written report is filed within 30 days after the ministry is notified of the incident.</p> <p>(3) Every six months an operator shall submit, for the previous six-month period, a written summary report to the ministry respecting every incident involving a pipeline rupture, break or leak for which the ministry was not required to be immediately notified pursuant to section 20.</p> <p>(4) The report mentioned in subsection (3) is to contain the following:</p> <ul style="list-style-type: none"> <li>(a) the date, time and location where the incident occurred;</li> <li>(b) a description of any environmental damage;</li> <li>(c) a description of the quantities of substances spilled or lost and a further estimate of any subsequent recovery;</li> <li>(d) a description of the cause of the incident.</li> </ul> |  |  |
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| <p><b>Records to be kept</b></p> <p><b>22</b> Every operator of a pipeline for which a licence has been issued shall maintain complete and accurate records of the quantities of substances purchased, acquired, stored, transported and sold respecting the pipeline for at least six years after those records are prepared.</p> | <p><b>Repealed</b></p> | <p>ER is able to acquire the same information under the authority of <i>The Oil and Gas Conservation Regulations</i>, 2012 therefore, is repealed.</p> |
| <p><b>Sask. Reg. 612/68 repealed</b></p> <p><b>25</b> The Pipe Lines Regulations, being Saskatchewan Regulations 612/68, are repealed.</p>   | <p><b>Repealed</b></p> | <p>Repealed</p>  |