

NATIONAL ENERGY BOARD

**IN THE MATTER OF
The National Energy Board Act (the "NEB Act")
Being c.N-7 of the Revised Statutes of Canada
And amendments thereto, and the
Regulations made there under:**

AND IN THE MATTER OF

**An Application by Express Pipelines Limited Partnership ("Express Pipelines")
pursuant to Section 58 of the NEB Act exempting from the requirements of
Section 30, 31, and 47 of the NEB Act the lateral tie-in from Husky Oil Operations
Ltd. ("Husky") Hardisty Terminal to Express Pipelines' Hardisty Terminal.**

To: Anne-Marie Erickson
Secretary
National Energy Board
444-7th Avenue SW
Calgary, AB T2P 0X8

**APPLICATION BY EXPRESS PIPELINES LTD.
PURSUANT TO PART III – Section 58 OF THE
NEB ACT**

A. INTRODUCTION

1. Express Pipelines hereby applies to the National Energy Board pursuant to Part III – Section 58 of the NEB Act for an Order approving construction of a replacement lateral tie-in from Husky's Hardisty Terminal, to Express Pipelines' Hardisty Terminal (the "Project").
2. Subject to regulatory approval, construction of the Project is scheduled to commence in [November, 2010].

B. BACKGROUND

1. Express Pipelines operates the Canadian portion of the Express Pipeline, a 1,256 km, 610 mm diameter pipeline for the transportation of crude oil products from Hardisty, Alberta to Casper, Wyoming. The Canadian portion of the Express Pipeline originates at Hardisty, Alberta and continues south to a point on the international boundary near Wild Horse, Alberta.

C. PROJECT PURPOSE

1. The purpose of the proposed Project is to disconnect and abandon the existing 1300 meter, 610 mm diameter lateral tie-in between Husky's

Hardisty Terminal and Express Pipelines' Hardisty terminal. The Husky lateral pipeline is disconnected and abandoned due to severe internal corrosion over the majority of the pipeline's length.

2. Construct a new lateral 1300 meter, 610 mm diameter, tie-in from Husky's Hardisty Terminal to Express Pipelines' Hardisty terminal in order to restore direct crude oil pipeline connection between the Husky Terminal and Express Pipelines' Express Pipeline.

D. CONSULTATION

1. Express Pipelines reviews all of its projects to determine the appropriate level of consultation and/or notification, with a goal of consulting with potentially affected stakeholders. With respect to the proposed Project, Express Pipelines determined that it was not necessary to carry out a consultation program. Express Pipelines determined that a consultation program was unnecessary since the application relates to work contained within the confines of land Express Pipelines already owns or has easement or lease agreements on. Furthermore, the proposed Project will not: involve the storage or disposal of toxic substances; result in increased noise emissions or air contaminants; or result in local nuisance. The Project area is also within an established industrial area with numerous existing pipelines and terminal facilities.

E. NOTIFICATION OF COMMERCIAL THIRD PARTIES

1. Express Pipelines determined that a notification program was unnecessary since the outcome of the application is not expected to result in any significant impacts on commercial third parties since this Express Husky lateral pipeline replacement will restore service that was disrupted in July 2010 when the previous Husky lateral was removed from service.
2. The proposed Project will re-store lateral service for third parties to receive, transport, and deliver commodities to Express Pipeline; and, as such, will not impact commercial operations.

F. PROJECT DESCRIPTION

1. The proposed Project includes the following steps:
 - i. Disconnecting the existing (out of service) 1300 meter, 610 mm diameter pipeline from facilities at Husky's Hardisty Terminal and Express Pipelines' Hardisty Terminal and abandoning the pipeline in place.
 - ii. The abandoned pipeline will be nitrogen purged, permanently disconnected from facilities at Husky's Hardisty

Terminal and Express Pipelines' Hardisty Terminal, capped, buried, and abandoned in place.

- iii. Construction of a new 1300 meter pipeline lateral between Husky's Hardisty Terminal and Express Pipelines' Hardisty Terminal. The new pipeline lateral will be permanently connected to the existing scraper traps and support facilities at each end.
2. The proposed Project is located in the Hardisty, Alberta area. All lands associated with the Project have been previously disturbed to create access and construct Express Pipelines' Hardisty Terminal. A large percentage of the land associated with the Project has also been disturbed between 2007 and 2010 while performing integrity digs and repairs of the existing pipeline lateral.
3. Engineering will begin in October, 2010 with materials being procured once pipe and fitting specifications are completed. Construction is scheduled to commence in November, 2010.
4. The estimated total capital costs for the Project are:

Construction	\$4,169,000
Overhead	\$92,000
<u>AFUDC</u>	<u>\$100,000</u>
Total	\$4,361,000
5. Construction of the Project is expected to be complete March 1, 2011. Express Pipelines intends to retain one or more contractors to undertake construction of the Project. The existing infrastructure in the Hardisty area, including existing road access and the availability of hotel accommodations for contract work force, can accommodate the Project.

G. MEANS OF CARRYING OUT THE PROJECT AND ALTERNATIVES

1. The proposed Project is economically feasible and justified since it restores direct shipper access to the Express Pipeline.
2. An alternative considered against the proposed Project was tie-in of the upstream Express Husky facilities into the original Gibson Petroleum lateral between the Gibson Petroleum facilities and the Express facilities. However, this alternative was not deemed to be the best practical option and was not well received by the Husky shippers.
3. Express Pipelines has determined that there are no practical alternatives to the proposed Project since this the proposed Project restores a direct pipeline connection between the two facilities.

H. ENGINEERING DESIGN DETAILS AND PHILOSOPHY

1. The fluid type and composition is LVP crude oil.
2. The proposed Project involves line pipe with the following characteristics: 610 mm x 9.5 mm w.t., CSA Z245.1, Grade 290, Cat.1; [24 inch, x 0.375 inch w.t., API 5L, X42, PSL-1], ERW, FBE coated.
3. The proposed Project will tie-in between the existing booster pump, scraper and metering facilities located on the Husky and Express Pipelines' Hardisty Terminals.
4. All pipeline design will be in accordance with the latest version of CSA Z662.
5. The proposed Project will comply with or exceed the requirements set out in the *Onshore Pipeline Regulations, 1999, SOR/99-294*.
6. The design and material selection of the proposed Project shall be in accordance with the codes and standards listed in Schedule B.
7. The proposed Project will comply with the internal standards and practices listed in Schedule C.
8. The proposed Project may involve horizontal directional drilling (HDD) of one road along the proposed route: Municipal District of Provost No. 52. A feasibility study and report for the HDD will be developed.

I. ONSHORE PIPELINE REGULATIONS

1. Express Pipelines' quality assurance program for the Project includes the provision of construction inspection, environmental inspection, design inspection, and survey inspection.

J. ENVIRONMENT AND SOCIO-ECONOMIC ASSESSMENT

1. Express Pipelines has not prepared a detailed Environment and Socio-Economic Assessment ("ESA") for the proposed Project since the potential environmental and socio-economic effects are negligible. Express Pipelines has determined that the potential environmental and socio-economic effects are negligible since: the proposed Project is of small scale and is localized; all construction is to occur on previously disturbed land in an established industrial area; all lands associated with the proposed Project are owned by Express Pipelines; there are no residents near the proposed Project; no other land uses or interest will be affected; there is no potential for traditional use activities to be affected by the proposed Project; there is no potential for cumulative environmental effects; and there will be negligible environmental effects associated with construction and operation of the proposed Project.

K. OTHER AUTHORIZATIONS

1. All required permits or approvals will be obtained prior to commencement of construction of the Project.

L. COMPLIANCE WITH THE NATIONAL ENERGY BOARD FILING MANUAL (2004)

1. A Filing Manual Checklist for Chapters 3 and 4 and Guide A, is provided in Schedule D, attached to this application. The checklist identifies the requirements of the Filing Manual (2004) and the location in this Section 58 application of the information submitted by Express Pipelines to comply with those requirements.

M. RELIEF REQUESTED

1. Express Pipelines hereby applies for an Order pursuant to Section 58 of the NEB Act, approving the construction of the pipeline lateral tie-in from Husky's Hardisty Terminal to Express Pipelines' Hardisty Terminal.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

Dated at the City of Calgary this [21st] day of [October, 2010].

EXPRESS PIPELINES LTD.

Peter Forrester
Assistant General Counsel

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Attention: Peter Forrester
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Schedule A

Express Pipelines Ltd. Application Dated 21 October, 2010
Pursuant to Section 58 of the NEB Act
Lateral Tie-In from Husky Oil Operations Limited's Hardisty Terminal to Express
Pipelines Ltd.'s Hardsity Terminal

Tie-In Specifications	
Length	1,300 meters (From Husky Terminal to Express Terminal)
Location	Hardisty, Alberta
Outside Diameter	610 mm (24 inch)
Wall Thickness	9.5 mm (0.375 inch)
Pipe Grade	Z245.1, Grade 290 MPa, Cat. 1; (API 5L X42, PSL-1))
Fluid Type	LVP Crude Oil
MOP	1,964 kPa (285 psig)
Other	Project will include disconnect and in place abandonment of existing pipeline lateral. Construction of new pipeline lateral buried adjacent to abandoned lateral pipeline and tied into existing facilities at each end.

Schedule B

Governing Body	Standard	Document Title
ASME/ANSI	B16.5	Steel Pipe Flanges and Flanged Fittings
	B16.9	Factory-Made Wrought Butt Welded Fittings
	B16.11	Forged Steel, Socket Welded and Threaded
	B16.20	Metallic Gaskets for Pipe Flanges
ASTM	ASTM A105	Specification for Forgings, Carbon Steel Piping Components.
	ASTM A106	Standard Specification for Seamless Carbon Steel Pipe for High-Temperature Service.
	ASTM A193	Standard Specification for Alloy-Steel and Stainless Steel Bolting for High Temperature or High Pressure Service and Other Special Purpose Applications.
	ASTM E138	Specifications for Wet Magnetic Particle Inspection
	ASTM E165	Standard Method for Liquid Penetrant Examination
	ASTM E709	Standard Guide for Magnetic Particle Examination
CSA	Z662-07	Oil and Gas Pipeline Systems
	Z245.1-07	Steel Pipe
	Z245.12-01	Steel Flanges
	Z245.20	External Fusion-Bonded Epoxy Coated Steel Pipe
SSPC	SSPC-SP-6	Commercial Blast Cleaning
	SSPC-SP-10	Near-White Blast Cleaning
	SSPC-PA-1	Shop, Field and Maintenance Painting

Schedule C

The proposed project will comply with the following Company standards and practices.

MP1110	Station and Terminal Piping Design
MP2110	Station Pipe Material Requirements
MP2121	Main Line Pipe Material Requirements
MP3901	Joining (Welding) Program
MP4111	Station Hydrostatic Test Procedure
MP4121	Main Line Hydrostatic Test Procedure
MP3210	Bolted Flange Joint Assembly Requirements
	Environmental Management System Manual
	Health and Safety Standards Manual
	Contractor Safety Manual
	Pipe Maintenance Procedures
	Ground Disturbance Pipeline Protection Requirements
GC3101	External Coating of Piping, Components, and Structural Steel
GC3105	External Fusion Bond Epoxy Coating
CONST 007	Radiographic Inspection and Documentation
CONST 002	Pipeline Coating Specifications
CONST 016	Production Welding
CONST 031	Production Welding Procedures
CONST 032	Welder & Welding Procedure Qualifications
DESGN 003	Hydrostatic Test Design and Documentation
MAINT 001	Pipeline Repairs
MAINT 062	Coating Procedure for Petrolatum
MAINT 063	Coating Procedure for Cold Applied Tape
MAINT 077	Nitrogen Purge of Pipelines
M000-CE8001	Pipeline Protection Zone Drawing

Schedule D

NEB Filing Manual

Chapter 3 – Common Information Requirements

Filing #	Filing Requirement	In Application References	Not in Application References
3.1 Action Sought by Applicant			
1.	Requirements of S.15 of the rules	App., Section A-1	
3.2 Application of Project Purpose			
1.	Purpose of Proposed Project	App., Section C-1	
3.3 Consultation			
3.3.1 Principles and Goals of Consultation			
1.	The corporate policy or vision		n/a
2.	The principles and goals of consultation for the project.		n/a
3.	A copy of the Aboriginal protocol and copies of policies and principles for collecting traditional use information, if available.		n/a
3.3.2 Design of Consultation Program			
1.	The design of the consultation program and the factors that influenced the design.		n/a
3.3.3 Implementing a Consultation Program			
1.	The outcomes of the consultation program for the project.		n/a
3.3.4 Justification of Consultation not Undertaken			
1.	The application provides justification for why the applicant has determined that a consultation program is not required for the project.		App. Section D-1
3.4 Notification of Commercial Third Parties			
1.	Confirm that third parties were notified.		
2.	Details regarding the concerns of third parties.		
3.	List the self-identified interested third parties.		
4.	If notification of third parties is considered unnecessary, an explanation to this effect.		App., Section E-1

Chapter 4 – Section 4.1 and 4.2: Common Requirements for Physical Projects

Filing #	Filing Requirement	In Application References	Not in Application References
4.1 Project Description			
1.	The project components, activities and related undertakings.	App., Section F-1	
2.	The project location and criteria used to determine the route or site.	App., Section F-2	
3.	How and when the project will be carried out.	App., Section F-3	
4.	Description of any facilities, to be constructed by others, required to accommodate the proposed facilities.		n/a
5.	An estimate of the total capital costs and incremental operating costs.	App., Section F-4	
6.	The expected in-service date.	App., Section F-5	
4.2 Economic Feasibility, Alternatives and Justification			
4.2.1 Economic Feasibility			
1.	Description of the economic feasibility of the project.		
4.2.2 Alternatives			
1.	Description of other alternatives that were examined in the context of economic feasibility and rational for selecting the applied for project.	App., Section G-2	
2.	Describe and justify the selection of the proposed route and site, including a comparison of the alternatives using the selection criteria.	App., Section G-3	
3.	For projects for which "alternative to" has been identified as a relevant factor to consider under the CEA Act, a description of the alternatives to the project.		n/a
4.	For a comprehensive study, panel review or projects for which alternative means has been identified as a relevant factor under the CEA Act, a description of the alternative means for carrying out the project.		n/a
4.2.3 Justification			
1.	Justification for the proposed project.	App., Section G-1	

Guide A – A.1 Engineering

Filing #	Filing Requirement	In Application References	Not in Application References
A.1.1 Engineering Design Details			
1.	Fluid type and composition.	App., Section H-1	
2.	Line pipe specifications	App., Section H-2	
3.	Pigging facilities specifications	App., Section H-3	
4.	Compressor or pump facilities specifications	App., Section H-3	
5.	Pressure regulating or metering facilities specifications.	App., Section H-3	
6.	Liquid tank specifications.		n/a
7.	New control system facilities specifications.		n/a
8.	Gas processing, sulfur or LNG plant facilities specifications.		n/a
9.	Technical description of other facilities not mentioned above.		n/a
10.	Building dimensions and uses.		n/a
11.	If project is a new system that is critical source of energy supply, a description of the impact to the new system capabilities following loss of critical equipment.		n/a
A.1.2 Engineering Design Philosophy			
1.	Confirm project activities will follow the requirements of the latest version of CSA Z662.	App., Section H-4	
2.	Statement confirming compliance with OPR or PPR.	App., Section H-5	
3.	List of all primary codes and standards, including version and date of issue.	App. Section H-7, Schedule B	
4.	Confirmation that the project will comply with company manuals and confirm manuals comply with OPR/PPR and codes and standards.	App., Section H-7, Schedule C	
5.	Any portion of the project a non-hydrocarbon commodity pipeline system? Provide a QA program to ensure the materials are appropriate for their intended service.		n/a
6.	If facility subject to conditions not addressed in CSA Z662:		n/a

	<ul style="list-style-type: none"> • Written statement by qualified professional engineer, • Description of the designs and measures required to safeguard the pipeline. 		
7.	If directional drilling involved: <ul style="list-style-type: none"> • Preliminary feasibility report, • Description of the contingency plan to be used if the horizontal directional drill is not successful. 	App., Section H-8	
A.1.3 Onshore Pipeline Regulations			
1.	Designs, specifications programs, manuals, procedures, measures or plans for which no standard is set out in the OPR or PPR.		n/a
2.	A quality assurance program if project non-routine or incorporates unique challenges due to geographical location.	App., Section – I	
3.	If welding performed on a liquid filled pipeline that has a carbon equivalent of 0.50% or greater and is a permanent installation: <ul style="list-style-type: none"> • Welding specifications and procedures. • Results of procedure qualification tests. 		n/a
A.2.1 Environmental and Socio-Economic Assessment			
1.	Applicants are required to provide an appropriate level of detail represented by a set of facts and a transparent and defensible line of reasoning that is sufficient to support identified issues, analysis and conclusions with respect to the environmental and socio-economic effects of the project.	App., Section J-1	