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IMPORTANT INFORMATION

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Pipeline Act

Pipeline Regulation

[includes amendments up to B.C. Reg. 31/2009, April 1, 2009]

Contents

- [1 Interpretation](#)
- [2 Application](#)
- [3 Application for certificate granting leave to construct a pipeline](#)
- [4 Approval of plans, profiles and books of reference](#)
- [5 Changes to plans involving changes in location of pipeline](#)
- [6 Leave of the commission required before pipeline opened for transportation of oil or gas](#)
- [7 Installation of farm taps](#)
- [8 Pipeline and highway crossings](#)
- [9 Pipeline crossings](#)
- [10 References to codes](#)
- [11 Material standards — pipe, pressure components and pressure vessels](#)
- [12 Standard for pipelines](#)
- [13 Pumping and compressor stations](#)
- [14 Flare systems](#)
- [15 Installation — railway property](#)
- [16 Storage tanks](#)
- [17 Field construction of the line](#)
- [18 Signs required](#)
- [19 Inspection](#)
- [20 Fees](#)
- [21 Operation](#)
- [22 Accidents and their investigation](#)
- [23 Appeals](#)

Interpretation

1 In this regulation, unless the context otherwise requires:

"Act" means the *Pipeline Act*;

"chief inspecting engineer" means the chief inspecting engineer appointed by the commission that administers the *Pipeline Act*;

"commission" means the Oil and Gas Commission;

"contractor" means a person or firm engaged by the company to construct, alter or repair a pipeline or pipeline property;

"crossing" means any point where a pipeline crosses or is crossed by a railway, highway, industrial road, electrical transmission line, navigable waters or pipeline;

"CSA Standard Z276" means the standard published by the Canadian Standards Association as CSA-Z276-07 Liquefied Natural Gas (LNG) Production, Storage and Handling;

"CSA Standard Z662" means the standard published by the Canadian Standards Association as CSA-Z662-07 Oil and Gas Pipeline Systems;

"fabrication" means the manufacture, assembly or joining together of mechanical appurtenances and pressure components of a pipeline project in the shop or in the field;

"farm tap" means a natural gas line, with a nominal diameter of 25 mm or less, that feeds from a pipeline to an individual end user;

"field" means the on-the-ground location where a pipeline is being constructed and laid in permanent position;

"flow line" means a pipeline serving to interconnect well heads with separators, treaters, dehydrators, field storage tanks or field storage batteries;

"gathering line" means a pipeline used to transport oil or gas from a separating or processing plant to a company pipeline or other means of transport;

"highway" means a highway as defined in the *Transportation Act*;

"inspecting engineer" means an inspecting engineer of the commission;

"material specifications" means the physical properties and dimensions of all materials used or to be used or fabricated into pressure appurtenances on or in connection with any pipeline;

"municipality", for the purposes of this regulation, means a municipality as defined in section 1 of the *Municipal Act* and includes the City of Vancouver;

"railway" means a railway as defined in the *Railway Act*;

"shop" means an establishment where materials are fabricated to form pipe or pressure vessels which are to be used or fabricated into a pipeline;

"welding operator" means a person authorized to weld pressure appurtenances on, or in connection with, a pipeline.

[am. B.C. Regs. 205/99; 337/2004; 601/2004; 405/2007.]

Application

2 (1) This regulation applies to all pipelines within the boundaries of British Columbia which have been constructed or are operating under the jurisdiction of the government of British Columbia.

(2) In the event of a conflict between the CSA Standards and the provisions of this regulation, the latter applies.

Application for certificate granting leave to construct a pipeline

3 (1) Each application for leave to construct a pipeline must be in duplicate, and must contain

- (a) the exact legal name and principal place of business of the applicant, the names of its officers, if other than a natural person, and the name and mailing address of the applicant to which communications concerning the application are to be addressed,
- (b) a concise statement of the applicant's proposal and of its programme for the completion and operation of the project,
- (c) a complete description of all agreements which may exist between the applicant and others for the acquisition, purchase, transportation, sale or disposal of gas or oil to be transported by the applicant's proposed line,
- (d) a statement of the applicant's financial and proposed public responsibilities,
- (e) the map to be filed under section 11 (1) of the Act, not exceeding 42 inches by 72 inches in dimension, and entitled "General Location" within a title block showing also the name of the applicant, the number or designation of the proposed line and the date on which the map was drawn or the proposed project was superimposed, and
- (f) an undertaking to complete and operate the project.

(2) The commission may require that all documented agreements between parties concerned be presented for examination or investigation.

(3) Each application to the commission for leave to construct a pipeline must be accompanied by proof of publication in the Gazette of the company's intention to make the application, and the publication must be in the following form:

TAKE NOTICE that (legal name of applicant) intends to make application on or after (date)....., to the Oil and Gas Commission for leave to construct a pipeline from to for the purpose of transporting (name of commodity)

(4) Notice of intention to make the application, together with a plan on a readable scale showing the general route of the pipeline, must be published in the issue or issues for one week in a newspaper published in each locality through which the pipeline is to pass, or, if there is no such newspaper, in some newspaper circulating in the locality, and the publication of the notice must be at least one week before the date fixed for application.

(5) The requirements of the foregoing subsections need not apply where any provision of the Act exempts the necessity of the commission's authorization with respect to alterations, additions or extensions to a pipeline.

Approval of plans, profiles and books of reference

4 (1) Each plan, profile and book of reference required under section 12 (1) of the Act must be submitted to the commission in duplicate, together with the following additional information:

- (a) the exact legal name of the company in whose interest the plan, profile and book of reference are submitted;
- (b) the name and address of the person or persons to whom communications concerning the plan, profile and book of reference are to be addressed;
- (c) the number of the certificate by which the commission has granted the company leave to construct the pipeline;
- (d) the company's drawing number;
- (e) a short description of the points of commencement and termination of the section or part of the pipeline shown on the plan, profile and book of reference.

(2) The commission must not approve the plan, profile and book of reference submitted under section 12 (1) of the Act without regard for all proposed highway crossings or infringements of highway rights of way and with respect to the location of the pipeline in relation to proposed highway routes.

(3) Unless the commission otherwise directs, the plan, profile and book of reference of a section or part of a pipeline must be submitted in accordance with the following:

(a) a title block must be placed at the right hand end of the plan and must show the name of the company in whose interest the plan, profile and book of reference are submitted, the company's drawing number applicable thereto and the date on which the information contained in the plan, profile and book of reference was correct;

(b) the plan must bear the signature of the chief engineer or a responsible officer of the company in whose interest the plan, profile and book of reference are submitted;

(c) a blank space not less than 6 by 6 inches must be provided on the right hand side of the plan;

(d) the vertical dimension of plans must not exceed 42 inches.

(4) On approval by the commission of the plan, profile and book of reference, one approved copy must be returned to the applicant.

Changes to plans involving changes in location of pipeline

5 When the commission directs the diversion or relocation of a pipeline under section 13 or 14 of the Act, the plan, profile and book of reference required under section 15 (1) of the Act must

(a) be submitted in duplicate in the same form as the original plan, profile and book of reference,

(b) be marked "Amended Plan" together with the name of the company, the name or designation of the project and the date the plan was prepared, and

(c) when approved, supersede, with respect to the particular section or part of the pipeline, all former plans, profiles and books of reference which may have been approved.

Leave of the commission required before pipeline opened for transportation of oil or gas

6 Leave of the commission to open a pipeline or section of a pipeline for service will not be granted unless

(a) the company has made application in writing to the commission in the form and manner directed by the chief inspecting engineer,

(b) the application includes a statement by a professional engineer registered in British Columbia that the line has been built and tested in accordance with the submitted data and in accordance with the requirements of the *Pipeline Act* and that all control and safety devices have been inspected, tested and found to be in working order,

(c) the company undertakes to submit to the commission, within 3 months of the opening of the line for service, all as-built drawings, specifications and data,

(d) the company has in place an operations and maintenance manual or manuals and an emergency response manual, and

(e) for a pipeline designed for sour service, the company has submitted to the commission the details of the internal corrosion protection plan for the pipeline.

[am. B.C. Reg. 301/2000.]

Installation of farm taps

7 No farm tap may be installed or opened for use except in a manner approved by the chief inspecting engineer.

Pipeline and highway crossings

8 The following provisions apply to the crossing by a pipeline of any highway, utility line or other pipeline:

- (a) the minimum standard for the design and construction of a pipeline that crosses or is on the right of way of a highway, a pipeline crossing, utility line or other pipeline must be as set out in CSA Standard Z662;
- (b) a highway crossing may be cased or uncased as required by the appropriate Provincial, municipal or regional highway authority, and a vent pipe must
 - (i) be not less than 50 mm in diameter,
 - (ii) extend at least 1 200 mm above the ground,
 - (iii) have a turndown bend and screened open end, and
 - (iv) be connected to the casing within 0.5 m of the end of the casing pipe;
- (c) the carrier pipe, casing pipe and vent pipes must be suitably insulated from underground conduits carrying electric wires, and vent pipes must be at least 1.5 metres distant from aerial electric wires;
- (d) the carrier or casing pipe must be installed with an even bearing throughout its length and must not allow formation of a waterway along it;
- (e) where a casing pipe is installed under a highway, the vent pipes must be equipped with identification markers approved by the commission;
- (f) all work in connection with the construction, maintenance, renewal and repair of the pipeline, and the continued supervision of it, must be performed by the pipeline company and, unless the renewal or repair is made necessary by reason of the negligence of others, all costs and expenses of such work must be borne and paid by the pipeline company and no work at any time will be done in such a manner as to unduly obstruct, delay or interfere with the operation of any highway, utility line or other pipeline;
- (g) the pipeline company at all times is responsible for maintaining the pipeline in good working order and conditions, so that at no time will there be
 - (i) damage to,
 - (ii) impairment of the usefulness or safety of, or
 - (iii) interference with the full use and enjoyment ofany highway, utility line or other pipeline;
- (h) before any work of construction, maintenance, renewal or repair of the pipeline is begun, the pipeline company must give to the authority having control over the highway, utility line or other pipeline, or the owner of the utility line or other pipeline, as the case may be, at least 48 hours notice in writing; provided that, in an emergency, the work of repairing the pipeline may be begun where immediate notice is given by mail, telegraph or facsimile.

Pipeline crossings

9 The following provisions apply to the crossing of pipelines by any highway, private road, railway, utility line, drain or other company pipeline:

- (a) except as set out in this section, all work in connection with the construction, maintenance, renewal and repair of any crossing of a pipeline by any highway, private road, railway, utility line, drain or other pipeline, and the continued supervision of them, must be performed by the authority having control over such highway, railway, utility line, drain or other pipeline, or the owner of the private road, railway, utility line, drain or other pipeline, as the case may be, at its own cost and expense, unless the removal or repair is made necessary by the negligence of others;

(b) no work will at any time be done in such a manner as to unduly obstruct, delay or interfere with the operation of the pipeline, but all work which might disturb the pipe and which necessitates realigning, raising or lowering the pipe or excavating material from over or around it, or the additions of casing or other appurtenances thereto deemed necessary by the pipeline company for the protection of the pipeline being crossed, must be performed by the pipeline company whose line is being crossed, and, except as provided in paragraph (c) to (e), all costs and expenses of such work must be borne and paid by the authority having control over the highway, railway, utility line, drain or other pipeline, or the owner of the private road, railway, utility line, drain or other pipeline, as the case may be;

(c) subject to the approval of the commission with respect to the crossing of a pipeline by a railway or a highway, in no case will the Province of British Columbia, a municipality within the Province, nor the British Columbia Railway be liable for any costs incurred in the actual installation, removal, realigning, strengthening, casing, raising or lowering of a pipe and appurtenances thereto, except that when a new highway is built within a municipality by the municipality on an existing right of way or on a newly dedicated right of way, the costs must be shared equally by the municipality and the pipeline company;

(d) in the case of a new subdivision road within a municipality, the subdivider and the pipeline company must share the cost equally;

(e) the construction of a crossing must be carried out expeditiously and with all reasonable care and diligence; provided, however, that in no case will the Province of British Columbia or a municipality within the Province or the British Columbia Railway Company be liable for losses incurred through the discontinuance of operation of the pipeline;

(f) the authority having control over any highway, railway, utility line, drain or other pipeline, or the owner of any private road, railway, utility line, drain or other pipeline crossing a pipeline, must at all times maintain the crossing in good working order and condition, so that at no time will any damage be caused to the pipeline, the usefulness or safety thereof be impaired, or the full use and enjoyment thereof be in any way interfered with;

(g) before any work of construction, maintenance, renewal or repair of any crossing of a pipeline is begun, the authority having control over such crossing or the party making, owning or operating such crossing, as the case may be, must give to the pipeline company at least 48 hours notice in writing, to enable the pipeline company to appoint an inspector to see that the work is performed in such a manner as will in all respects comply with this regulation; and in cases of emergency the pipeline company must be notified immediately;

(h) except as provided in paragraph (f), the amount of the wages and expenses of an inspector must be paid by the authority having control over such highway, railway, utility line, drain or other pipeline, or the owner of such private road, railway, utility line, drain or other pipeline, as the case may be, on receipt from the pipeline company of a statement showing in reasonable detail the particulars of the wages and expenses;

(i) in no case will the British Columbia Railway Company or the Province be liable for any of the costs or expenses referred to in paragraph (g) and (h);

(j) the pipeline company must at all times wholly indemnify the authority having control over the highway, railway, private road, utility line, drain or other pipeline, or the owner of the highway, railway, private road, utility line, drain or other pipeline, as the case may be, from and against all loss, costs, damage, injury and expense to which the authority or owner may be put by reason of any damage or injury to persons or property caused by the construction, maintenance, renewal, repair or operation of the company pipeline, or any other works herein provided for, as well as against any damage or injury resulting from the imprudence, neglect or want of skill of the employees or agents of the pipeline company in connection with the construction, operation, maintenance, renewal or repair of the pipeline, or any other works herein provided for, unless the cause of such loss, costs, damage, injury and expense can be traced elsewhere.

References to codes

10 (1) Subject to subsection (2), any reference to the codes referred to in this regulation must include any changes, revisions, amendments or alterations made subsequent to their adoption.

(2) No change, revision, amendment or alteration inferred in subsection (1) will apply until approved by the

commission.

Material standards — pipe, pressure components and pressure vessels

11 (1) Before the commencement of the construction of a pipeline or any extension, alteration or repair of any pipeline or pressure component used or to be used in any pipeline, the company must

(a) file with the chief inspecting engineer, in duplicate, all the pertinent data, specifications and documented or other information he or she may require, and

(b) within 30 days after the completion of the construction, extension, alteration or repair, file with the chief inspecting engineer a certificate certifying that all work done and material used in connection with it is in accordance with the data and specifications submitted under paragraph (a).

(2) All unfired pressure vessels used in connection with the operation of a pipeline must be constructed, registered, stamped, equipped, tested and inspected, as per the requirements of the *Power Engineers and Boiler and Pressure Vessel Safety Act*.

Standard for pipelines

12 (1) Except as otherwise provided in this regulation, the standard governing the design, fabrication, installation, testing, operation, maintenance, repair or deactivation of onshore and offshore gas, oil, oilfield water and steam pipelines, including flow, gathering and transmission lines, is CSA Standard Z662 and, in cases where only partial or imperfect provisions exist in CSA Standard Z662, the chief inspecting engineer may establish provisions to meet those requirements.

(2) All welding, welding procedures and specifications for pipelines must be in accordance with CSA Standard Z662.

(3) Except as otherwise provided in this regulation, liquefied natural gas facilities which are part of a gas pipeline system, must comply with CSA Standard Z276.

Pumping and compressor stations

13 Except as otherwise provided in this regulation, all pumping stations and compressor stations must be installed and operated in accordance with the requirements of CSA Standard Z662 and section 11 of this regulation and, in addition, they must comply with regulations made under the *Fire Services Act*, the *Power Engineers and Boiler and Pressure Vessel Safety Act* and the *Electrical Safety Act*.

Flare systems

14 (1) When applying for permission to construct a pipeline, a company must provide plans and specifications for the flare system and proof of compliance with this section in the form and manner directed by the chief inspecting engineer.

(2) If installed, the flare system on any pipeline must be designed using the American Petroleum Institute (API) Recommended Practices 520 and 521 or a similar standard or practice, and the method must be noted in the application.

(3) Any over-pressure protection device used on the flare system equipment of a sour pipeline must not discharge H₂S to the atmosphere.

(4) For sizing and back pressure purposes, the flow from blow down and relieving devices may be treated separately.

(5) When flame arrestors are used in the flare system, unless the upstream flare system is designed for wellhead pressure, means must be provided to ensure that the upstream pressure does not increase beyond the upstream piping

design pressure.

(6) The flare system must be protected against a vacuum condition developing or against the consequences of a vacuum condition in the system.

(7) Knock-Out Drums must be designed according to the ASME Boiler and Pressure Vessel Code, Section VIII and the design pressure must be noted on the application.

Installation — railway property

15 Installations on or adjacent to any railway property must be in accordance with Part 12 of the rules and regulations pursuant to the *Railway Act*.

Storage tanks

16 A company that stores oil in tanks must use tanks that conform to CSA Standard Z662 or to A.P.I. Standards 12B, 12D or 12F, depending on the size and type of construction of the tank.

Field construction of the line

17 A company may make equipment alterations or changes in its pipeline for the purposes of maintenance, improvement or emergency, and such alterations or changes will be subject to subsequent inspection in accordance with section 19 of this regulation.

Signs required

18 A company must mark with conspicuous stand signs on the limits and both sides of a public highway, surveyed road, road allowance or railway outside the boundaries of a city, town or village, subject to local conditions, the place at which a pipeline enters and leaves or crosses under the public highway, surveyed road, road allowance or railway, and the signs must be maintained by the company.

Inspection

19 (1) Every company that proposes to construct a pipeline must inform the chief inspecting engineer of the proposed construction date for each pipeline when it applies for permission to construct.

(2) During construction and before the opening of a line for service, a pipeline may be inspected by an inspecting engineer in accordance with the inspection program of the commission.

(3) Existing pipelines may be inspected by an inspecting engineer from time to time in accordance with the inspection program of the commission.

(4) Pressure and leak testing of pipelines may be witnessed by an inspecting engineer.

(5) It is the duty of every company and its staff, including contractors for the line, to inform the inspecting engineer of any material, installation, service or procedure that is contrary to the Act.

(6) The inspecting engineer may order the company to bring the line into compliance with the requirements of the Act.

(7) If the company does not comply with an order made under subsection (6) the inspecting engineer may recommend to the chief inspecting engineer or the commissioner that permission to open a line for service be withdrawn or the commission's certificate be rescinded, or both.

(8) The inspecting engineer may, in the interest of understanding the safety and technical aspects of a pipeline project, request additional data and information from the company.

- (9) The inspecting engineer must order a pipeline out of service when a condition exists that the inspecting engineer considers is dangerous to the safety of workers or the public.
- (10) The company must notify the inspecting engineer of the start date for the testing of the pipeline so that the testing may be witnessed by an inspecting engineer.
- (11) Before the testing of any pipeline, the company must submit to the inspecting engineer copies of all test procedures.
- (12) The results of any company tests conducted on the pipeline, its material or its appurtenances, for the purposes of establishing the integrity of the line, must be made available to the inspecting engineer.
- (13) If the inspecting engineer cannot gain access to the project for inspection purposes because of inaccessibility or company imposed prohibitions against travel to the site, the company must, at its own expense, provide the inspecting engineer with transportation to and from the pipeline site.

Fees

20 Fees are payable to the Minister of Finance, care of the commission, as follows:

- (a) and (b) Repealed. [B.C. Reg. 187/2002.]
- (c) for a special inspection at the request of the company or contractor, \$500 a day and expenses;
- (d) and (e) Repealed. [B.C. Reg. 169/99, s. 4.]
- (f) to (h) Repealed. [B.C. Reg. 187/2002.]
- (i) for an approval to sell, assign, transfer, convey or lease a pipeline, to amalgamate its pipeline with that of another company or to contract the operation of its pipeline to another company, \$200 a pipeline;
- (j) an annual fee of
 - (i) \$50 per kilometre of pipeline registered by a company, if the outside diameter of the pipeline is less than 152 millimetres, and
 - (ii) \$60 per kilometre of pipeline registered by a company, if the outside diameter of the pipeline is 152 millimetres or greater;
- (k) for an application under section 11 of the Act, the applicable of the following:
 - (i) \$900 plus \$200 per kilometre of pipeline for pipelines with an outside diameter of less than 152 millimetres;
 - (ii) \$1 200 plus \$400 per kilometre of pipeline for pipelines with an outside diameter of 152 millimetres or greater;
- (l) for an amendment of an application referred to in paragraph (k), \$700.

[am. B.C. Regs. 169/99; 187/2002; 31/2009.]

Operation

21 Unless otherwise approved by the commission, a company must follow operating and maintenance procedures on oil and gas pipelines that conform to CSA Standard Z662.

Accidents and their investigation

22 (1) A company must notify the commission of the occurrence of

- (a) spillage of oil or gas or solids,
- (b) malfunction of or damage to the pipeline, or
- (c) incidents likely to cause or contribute to spillage

in the form or manner directed by the chief inspecting engineer.

- (2) A company must subsequently report to the commission, in the form or manner directed by the chief inspecting engineer, the cause, effect and remedy of the events in subsection (1).
- (3) The chief inspecting engineer may investigate an accident that includes the failure of any pressure vessel or component used in the operation of a pipeline, and must, as soon as possible, report the results of the investigation in writing to the commissioner.

Appeals

23 An appeal lies from any ruling or decision of an inspecting engineer to the chief inspecting engineer, and from him or her to the commission.

Note: this regulation supersedes B.C. Reg. 451/59.

[Provisions of the *Pipeline Act*, R.S.B.C. 1996, c. 364, relevant to the enactment of this regulation: sections 35, 37 and 56]

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