



Canada Orders TransCanada To Fix Safety Lapses On Keystone Line

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CALGARY, Alberta--TransCanada Corp. (TRP) must install missing safety features on its original Keystone oil pipeline's pumping stations in Canada, the country's federal energy regulator ruled.

Several of the Keystone pumping stations in Saskatchewan and Manitoba don't have an alternative power source required under Canadian regulations, according to a ruling released Tuesday by Canada's National Energy Board. Alternative power would ensure any leaks would trigger an emergency shut down even if the main power source for the pipeline went down.

Calgary-based TransCanada has until Sept. 17 to propose a plan to provide alternate power to the four pumping stations, two each in Saskatchewan and Manitoba.

TransCanada spokesman Shawn Howard said alternative power through on-site diesel generators wasn't part of the initial plan for the Keystone pumping stations because TransCanada's operators are able to close the valves remotely and the stations already have backup battery power. It's too early to say how much it will cost to install the backup generators, Mr. Howard said.

The Keystone pipeline started operations in 2010 and carries up to 590,000 barrels of oil a day west through Canada before crossing the border in North Dakota and traveling to refineries in Illinois and the storage depot in Cushing, Okla.

A controversial plan to expand the Keystone pipeline, called Keystone XL, was denied by the U.S. State Department earlier this year due to environmental concerns about its route through Nebraska, though the company re-applied with a revised route in May, with encouragement from the White House.

The National Energy Board said it found the safety lapses at the four pumping stations in June last year, but TransCanada contested the findings and applied for "relief"--a waiver that would allow the company to pass inspection despite not having an alternative power source for the stations. The NEB denied that relief request on Aug. 17 of this year, according to the regulator's statement.