

Canada Energy Regulator issues penalty to Minell Pipeline Ltd.

The Canada Energy Regulator (CER) has released full details of an Administrative Monetary Penalty (AMP) issued to Minell Pipeline Ltd. The amount of the penalty is \$52,000.

The penalty stems from an investigation into a pipeline rupture on October 5, 2021, near McAuley, Manitoba. A farmer ruptured a natural gas pipeline while operating a tractor to conduct activities in an agricultural field. The pipeline did not have adequate soil coverage, creating a serious safety hazard.

The investigation revealed that Minell Pipeline Ltd. failed to do the following, including on the day of the pipeline rupture:

- identify locations where the operation of vehicles or mobile equipment across the Minell Pipeline for agricultural purposes could impair the pipeline's safety or security (section 7 of the [Canadian Energy Regulator Damage Prevention Regulations, Obligations of Pipeline Companies \(DPR-O\)](#)); and
- notify landowners of these specific locations (section 7 of the [Canadian Energy Regulator Damage Prevention Regulations, Obligations of Pipeline Companies \(DPR-O\)](#));

Background Information

- CER Inspection Officers were deployed to the site immediately following the pipeline rupture and issued [Inspection Officer Order No. MEL-001-2021](#) to Minell Pipeline Ltd.
- This order required the company to immediately conduct a depth of cover survey along the entire pipeline right-of-way. They were also required to notify any landowners or other affected parties of either adequate or inadequate depth of cover after the survey was completed.
- The CER also conducted several compliance oversight activities following the incident.

- The CER required Minell Pipeline to review its process for managing depth of cover surveys, landowner notification and safety material provided to landowners.
- The company will also conduct more frequent depth of cover surveys, revise their current survey processes, update their public awareness materials for landowners and develop an annual right-of-way monitoring program.
- The CER issued a [Safety Advisory](#) on the depth of cover in agricultural areas in April 2022 to remind regulated companies of the importance of having sufficient soil coverage over pipelines.

Quick Facts

- Safety is always our top priority, including the safety of the public, Indigenous Peoples, workers and CER staff. Protection of the environment is also part of our commitment to safety.
- The CER's job is to ensure companies follow the rules and address issues before they become a problem. This is done through inspections, audits and other compliance verification activities.
- The CER can issue a penalty when a company or person does not follow the rules meant to protect people or the environment.
- Penalties may be used when harm is caused and/or likely to occur because of the violation, and/or to prevent similar events from happening again.
- The CER is transparent when it issues a penalty, so Canadians are confident that action is taken when needed, and so all regulated companies can benefit from the learnings and experiences of others.
- The CER's [AMP regulations](#) outline how penalty amounts are calculated.
- An AMP is only one tool in the CER's enforcement toolkit. Other enforcement tools the CER can use include:
 - notices of non-compliance
 - inspection officer orders
 - warning letters
 - taking away a company's authorization to build and operate a pipeline.

Link to the Administrative Monetary Penalty details: [AMP-001-2023](#)