

## BACKGROUND: Husky oil spill

The Pipeline Investigation Report on the Husky Energy crude oil pipeline spill compiled by Skystone International for the Ministry of Economy raises a number of concerns and outlines examples of how industry regulating itself without an independent watchdog was problematic and may have contributed to the incident:

- Husky ignored evidence of a buckling pipe: Husky measured the angle of the bend in the pipeline in 2011, 2013, and 2015. At the point of the pipeline leak, the angle deformed from 12 degrees to 14 degrees, to 21 degrees across those three tests (page 13). These deformations had been measured but were not assessed until after the pipeline failed (page 43).
- Husky failed to respond to their own leak detection system, and despite receiving more than ten alarms, only acted when a member of the public notified them (Appendix 2)
- Didn't account for "geohazards" like tilted telephone poles, tilted and bent trees, and soil cracking from ground movement which were found near the site after the spill in 2016 (page 43).
- Husky did not follow national standards for leak detection (page 41) or pipeline thickness (page 42).
- Despite being notified of significant changes to the legal regime in 2015 by the Ministry of Economy, Husky was out of compliance in ten instances (page 41) as it relates to leak detection and analysis pursuant to the latest edition of CSA *Standard Z662 Oil and Gas Pipeline Systems* (CSA Z662).

While the province has come into compliance with the auditor's recommendations and has made some changes to better inspect water crossings and account for geotechnical risk, the auditor had been calling for these changes since 2012.

And while there have been legislative and regulatory changes to pipeline inspections, particularly around water crossings, the regulatory regime has stayed the same. An [independent oversight body like in Alberta](#) would provide better oversight of company activities. To ensure that this activity is safe, environmentally responsible, and closely managed, the Government of Alberta has granted the AER authority to:

- review and make decisions on proposed energy developments,
- oversee all aspects of energy resource activities in accordance with government policies,
- regularly inspect energy activities to ensure that all applicable requirements are met,
- penalize companies that fail to comply with AER requirements, and
- hold hearings on proposed energy developments.

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