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August 25, 2006

INFORMATION LETTER #OGC 06-12

**SUBJECT: Adoption of CAN/CSA Z662-03 Oil and Gas Pipeline System Annex N Guideline for Integrity Management Programs.**

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TO: All Stakeholders

In June 2005, the Canadian Standards Association (CSA) published *Supplement No. 1* to CSA Standard Z662-03: *Oil and Gas Pipeline Systems*. The supplement contained the new *Annex M: Sour Service Pipelines* and *Annex N: Guidelines for Pipeline Integrity Management Programs (ANNEX N)*. Annex N provides an approach for ensuring that pipelines are capable of transporting product safely, without short-term or long-term negative effects on public safety or the environment.

The Oil and Gas Commission (OGC) proposed to make Annex N mandatory and requested stakeholder comment by means of Information Letter #OGC 06-08: *Canadian Standards association Can/CSA Z662-03 "Oil and Gas Pipeline Systems, Annex M and N Supplement No. 1*, which was posted in April 2006 on the OGC Web site for stakeholder comment. The OGC considered all comments received.

*Information Letter # OGC 06-08* noted that CSA Z662-03, Annex M, is mandatory for sour service pipelines. Pipeline integrity management programs are included within Annex M, and therefore licensees are required to develop and implement an integrity management program for sour service pipelines regardless of the overall adoption of Annex N for other types of pipeline.

### **Requirement**

In accordance with Section 10 of the Pipeline Regulation the OGC has adopted Annex N as a revision to CAN/CSA Z662-03. Owners or operators of pipelines must develop and implement an integrity management program in accordance with CSA Z662-03, Annex N.

As oil and gas companies may require time to meet this requirement, licensees must

- by **March 1, 2007**, develop an integrity management program (Clauses N.1 to N.9), and
- by **September 1, 2007**, develop hazard identification and controls, risk assessments, and program planning (Clauses N.10 to N.17).

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## **Noncompliance**

After the specified dates, non-compliance with the requirements of Annex N could result in an enforcement action.

If you have any questions regarding Annex N, please contact:

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**Ross Curtis**  
**Commissioner**