

**Memorandum of Understanding Regarding Hydrocarbon Pipelines in Ontario**

**between**

**the Ontario Energy Board**

**(the “OEB”)**

**and**

**the Technical Standards and Safety Authority**

**(the “TSSA”)**

**Recitals**

WHEREAS the OEB is an independent quasi-judicial regulatory authority continued under the *Ontario Energy Board Act, 1998*;

AND WHEREAS the TSSA is a regulatory authority continued by the *Technical Standards and Safety Act, 2000*;

AND WHEREAS under these statutes, both the OEB and the TSSA (each a “party” and together, the “parties”) have specific mandates regarding the regulation of hydrocarbon pipelines;

AND WHEREAS the parties wish to confirm their respective regulatory roles to clarify intersections of jurisdiction;

AND WHEREAS the parties also wish to develop a framework for the exchange of information and other cooperation to assist in the effective delivery of their respective mandates;

NOW THEREFORE in consideration of the promises and the mutual covenants and subject to the terms and conditions contained herein, the parties hereby enter into this Memorandum of Understanding.

**1. Definitions**

**1.1** In this Memorandum of Understanding, the following terms have the following meanings:

- a. “CSA” means the Canadian Standards Association;
- b. “LTC” means leave to construct a hydrocarbon pipeline under sections 90 or 91 of the OEB Act;
- c. “MOU” means this Memorandum of Understanding and includes any amendments that may be made from time to time;
- d. “OEB Act” means the *Ontario Energy Board Act, 1998* as amended and its associated regulations;
- e. “ORS” means the TSSA Operator Rating System for pipeline operators; and

- f. “TSS Act” means the *Technical Standards and Safety Act, 2000* as amended and its associated regulations.

## **2. Acknowledgement**

- 2.1** The OEB and the TSSA each acknowledge that they have distinct responsibilities within the broad regulatory regime governing natural gas and other hydrocarbons in Ontario as stipulated by applicable statutes and regulations. This MOU focusses on LTC for natural gas pipelines, the most frequent point of intersection between the OEB and the TSSA. The same general process applies in respect of approvals for other hydrocarbon projects covered by the OEB’s *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Facilities in Ontario*.

## **3. Mandate of the OEB**

- 3.1** The OEB is an independent quasi-judicial regulatory agency responsible for regulating the electricity and natural gas sectors in Ontario with statutory objectives in relation to gas that include informing consumers and protecting their interests with respect to prices and the reliability and quality of gas service, facilitating the rational expansion of gas transmission and distribution systems, facilitating the rational development and safe operation of gas storage, and facilitating the maintenance of a financially viable gas industry for the transmission, distribution and storage of gas.
- 3.2** The OEB’s powers are primarily derived from the OEB Act, and include the setting of rates for the distribution, transmission and storage of natural gas; approval of the construction of natural gas and other hydrocarbon pipelines; licensing of gas marketers; and investigations and enforcement related to regulated entity compliance with certain legislation and with the OEB’s regulatory requirements.
- 3.3** The OEB regulates the construction of intra-provincial hydrocarbon pipelines through the authority given to it under section 90 of the OEB Act, provided that the hydrocarbon pipeline falls within the scope of section 90(1). Such pipelines cannot be constructed unless the applicant has first obtained from the OEB an order granting LTC. Under section 91 of the OEB Act, an applicant may apply for LTC even if the hydrocarbon pipeline falls outside the scope of section 90(1) or is exempt from the need to obtain LTC by regulation.

## **4. Mandate of the TSSA**

- 4.1** Section 3.6 of the TSS Act sets out the statutory objectives for the TSSA. The TSSA is responsible for administering and enforcing Ontario Regulation 210/01, Oil and Gas Pipeline Systems.
- 4.2** The TSSA regulates the safety of hydrocarbon pipelines in Ontario, including their design, construction, operation, maintenance, safety, and integrity. Natural gas transmission lines, distribution systems, and oil pipeline systems are subject to the safety and inspection requirements set out in the TSS Act and its associated regulations, and in

particular, Ontario Regulation 210/01. A licence to operate pipeline systems is required from the Statutory Director of the Fuels Safety Program of the TSSA.

**4.3** Through section 8 of Ontario Regulation 223/01, and the Oil and Gas Pipeline Systems Code Adoption Document published by the TSSA, the safety codes CSA Z662-23 (Oil and Gas Pipeline Systems), CSA Z246.1-21 (Security Management for Petroleum and Natural Gas Industry Systems), and CSA Z247-15 (R2020) (Damage Prevention for the Protection of Underground Infrastructure) all published by the CSA are adopted with amendment as part of Ontario Regulation 210/01. The regulations administered and enforced by the TSSA oblige all hydrocarbon pipelines to comply with the standards, procedures, and other requirements of these codes.

## **5. The OEB LTC Process**

**5.1** In making a decision on an application for LTC, the OEB will typically hold a public hearing and will determine if construction of the hydrocarbon pipeline is in the public interest. The OEB's Standard Issues List for LTC proceedings identifies the following as the issues that are typically considered: need for the project; project alternatives; project costs and economics; environmental impacts; land matters; and Indigenous consultation.

**5.2** In its review of an application, the OEB does not assess the safety of the proposed project, nor does it opine on whether a safety concern needs to be addressed. The OEB does consider the factors driving the need for a project as presented by the applicant (e.g. reliability of service, operational risk, integrity issues, etc.) and whether the project as proposed by the applicant is the most cost-effective means of addressing that need. This may include exploring over the course of a proceeding any safety standards that the proponent is required to meet in order to better understand the intent and scope of such standards, and to test the cost-effectiveness of the proponent's proposed option against any alternatives in addressing such requirements.

**5.3** The OEB does not independently make assessments about the safety of a given pipeline system, its operation, maintenance or construction. Rather, the OEB relies on the evidence presented to it through the applicant's LTC application and otherwise during the LTC proceeding. The OEB recognizes the safety requirements inherent in the TSSA's pipeline oversight.

**5.4** The need for a pipeline to be constructed in accordance with all applicable safety requirements (among others) is reflected in two of the OEB's standard conditions of approval which are typically part of any OEB Decision and Order granting LTC for a hydrocarbon pipeline, namely: (1) the applicant must obtain all necessary approvals, permits, licenses, certificates, agreements and rights required to construct, operate and maintain the project; and (2) the applicant must implement all of the recommendations of the Environmental Report filed in the proceeding, and all of the recommendations and directives identified by the Ontario Pipeline Coordinating Committee (OPCC), of which the TSSA is a member.

**5.5** Members of the OPCC are responsible for reviewing and commenting on the applicant's draft Environmental Report in respect of matters falling within their respective scope of authority, and for providing the applicant with a letter confirming that the OPCC member has completed its review. The Environmental Report must be filed with the OEB as part of the applicant's LTC application.

## **6. Safety Considerations in TSSA Pipeline Oversight**

- 6.1** Pipeline operators are required to comply with applicable TSSA administered regulations and adopted codes and standards, and with the operator's safety and loss management system.
- 6.2** The TSSA maintains an engineering approval process for the oversight of oil and gas pipelines. Through the approval process, the TSSA examines and rates the effectiveness of an operator's safety and loss management system which includes policies and procedures regarding the operator's design, construction, operation and maintenance activities.
- 6.3** The ORS is the TSSA's risk-based operator rating system for pipeline operators to reduce the risk of pipeline safety incidents. The main purpose of the TSSA ORS is to examine and rate the effectiveness of each operator's safety and loss management system which includes comprehensive policies and procedures regarding the operator's design, construction, operation, and maintenance activities. The ORS is comprised of specific components, namely risk-based audits, field verifications, safety intelligence framework, and compliance standards.
- 6.4** In this system, TSSA risk-based audits assess the efficacy of the pipeline operator's safety and loss management system based on data about the pipeline network. Field verifications are targeted physical inspections that are informed by the audit and focuses on areas of operation that could pose a risk to public safety. The safety intelligence framework involves a systematic approach to data collection and risk analytics to collect data directly tied to safety outcomes and compliance standards enforced by the TSSA to inform pipeline operators about their safety priorities and requirements to reduce risk. These requirements are important for public safety.

## **7. Further Cooperation, Exchange of Information and Confidentiality**

- 7.1** The parties shall, subject to their discretion and respective confidentiality obligations, cooperate and exchange information in areas of mutual interest that are related to their respective mandates.
- 7.2** The parties will not exchange information if doing so would contravene any relevant legislation, order, policy or guidance document. The parties will each maintain the confidentiality of any information obtained from the other that is identified as confidential. The parties will not disclose any confidential information provided to it under this MOU to any third party without the written consent of the other party, except as required by law. Where disclosure is required by law, the affected party will advise the other party of the requirement as soon as reasonably practicable to provide the other party a meaningful

opportunity to challenge the disclosure requirement or otherwise seek to protect its interests.

## **8. Contact Information**

### **8.1** The points of contact for each party are as follows:

For the OEB: Vice-President, Major Applications

For the TSSA: Director, Fuels Safety Program

## **9. Amendment and Termination**

**9.1** This MOU may be amended at any time upon the mutual written agreement of the parties. Either party may terminate this MOU by providing written notice at least 30 days in advance.

**9.2** This MOU will come into effect on the date of final signature.

*Bonnie Rose*

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President and Chief Executive Officer  
Technical Standards and Safety Authority

January 13, 2026

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Date

*Carolyn Calwell*

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Chief Executive Officer  
Ontario Energy Board

January 20, 2026

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Date