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January 05, 2024

NADINE MORTON
IMPERIAL OIL
505 QUARRY PARK BLVD SE, OFFICE P5A223
CALGARY AB T2C 5N1
CANADA
nadine.morton@esso.ca

Work Order Type: FS Variance - LF
Work Order No.: 14155706
Facility Type: Bulk Plant
Located at: 52 BLACK RD, SAULT STE MARIE, ON, P6B 0A4

Re: Variance from Clause 5.6.1.3 of the LFHC 2017 Code, O. Reg. 217/01

Dear NADINE MORTON,

This is in response to your variance application involving the overfill protection automatic shut off valve.

Your variance request was to allow to operate and receive product from a ship via pipeline to a tank while bypassing the overfill protection automatic shut off valve until December 31, 2025.

Please be advised that your variance application has been approved because of the following safety measures outlined by Waleed Hathat, P.Eng.:

The high-high level audible alarm and visible strobe that currently exist for the tanks will remain operational, allowing adequate time for site operators to shut down vessel pumps by emergency shut down signals and to manually close the valve.

The procedures in place during vessel arrival and product receipt greatly reduce the risk of a tank overfill scenario. Vessel receipts are staffed with two operators at the terminal and one operator at the dock. One terminal operator is an Imperial employee acting as the "Imperial person-in-charge" responsible for the following checks:

- Planning prior to every vessel arrival and receipt of product:
 - a physical dip of the tanks is completed to verify the automatic tank gauges re accurate; and
 - the tank space available is calculated to confirm there is adequate room in the tank
- Pre-discharge meeting takes place between Imperial Operations and Vessel Crew, which includes:
 - discussing the planned discharge sequence including the volume to be discharged into each tank, which is endorsed by the Vessel Chief Mate and Vessel Captain/Master;

- confirming the emergency shutdown signals with vessel crew prior to discharge (stop, stop, stop);
- establishing and testing radios for constant communication between Imperial Operators and Vessel Crew during product receipts; and
- establishing plans for back-up communications by intrinsically safe cell phone; (there are three means of communication, this includes Radio (UHF), Cellphone and landline - terminal will not receive in the event there is no communication with the vessel)
- During product receipt:
 - tanks have a safe-fill level that Imperial uses as the maximum level of the tank for any planned product receipt, including calculation of “space available”;
 - beyond the safe-fill level, the tanks have a high-level alarm and a high-high level alarm (audible alarm and visible strobe activates at the site and at the dock, plus activation of the automatic motor operated valve being discussed). High-high level alarms are function tested quarterly.
 - product receipts are monitored in-person by site operators who are stationed at the dock and at the terminal; and
 - hourly field checks are performed by the Imperial person-in-charge, including tank gauges (vs expected final level), receipt rate (vs max receipt rate and current vessel discharge rate), and volume remaining to be discharged (for the receiving tank).
 - There are three means of communication. This includes Radio (UHF), Cellphone and landline. Terminal will not receive in the event there is no communication with the vessel

This variance will not take effect until 15 days from the date of posting the decision on the environmental registry. This decision of the Director is subject to a right of appeal, under the Environmental Bill of Rights, if such an appeal is filed within 15 days from date of posting. In the event an appeal is filed, this decision of the director may be subsequently stayed, disallowed or significantly altered. Notice of an appeal will be placed on the Environmental Bill of Rights registry.

This variance is allowed under the authority of subsection 36.(3)(c) of the *Technical Standards and Safety Act, 2000*, (the “Act”) and subject to such conditions as may be specified herein, being that:

- The installation/system/appliance dealt with in this variance must be inspected and may be periodically audited by TSSA. Please contact fuelsinspection@tssa.org or 1-833-937-8772 (1-833-WFP-TSSA) to book an inspection;
- The variance is approved until December 31, 2025;
- The safety measures outlined by Waleed Hatham, P.Eng. shall be enforced;
- Non-conformity with the conditions specified shall thereby cause the allowed variance to become null and void;
- The applicant accepts full responsibility for any and all damages resulting from the use of the thing to which the variance applies. The applicant further accepts full responsibility for any impacts to the health and safety of any person in consequence of the allowance of the variance or of non-conformity with the conditions specified. The Technical Standards and Safety Authority accepts no responsibility for any such damages or impacts;
- In the event of any claims against the Technical Standards and Safety Authority arising from allowance of the variance or non-conformity with the conditions specified, the applicant agrees to indemnify the Technical Standards and Safety Authority and agrees to hold it harmless from such claims and attendant costs;

- The variance process is subject to public access under the TSSA Access and Privacy Code (available upon request). The fact that a variance has been granted and information about any public conditions, such as a requirement to post a sign, may be released on request. Subject to law and the TSSA Access and Privacy Code, proprietary information will not be subject to release;
- The applicant shall pay the fee associated with the review of the variance; and
- A copy of the variance letter shall always be kept readily available and permanently legible in the vicinity of the appliance/equipment.

This variance only relates to the Act and regulations made thereunder and does not exempt you from compliance with other applicable regulatory requirements. The installation may be subject to an inspection to ensure compliance with the terms of the variance.

Should you have any questions or require further assistance, please contact Marek Kulik at +1 416-734-3465 or by email at mkulik@tssa.org. When contacting TSSA regarding this file, please refer to the Work Order number provided above.

Yours truly,



Gary Highfield, P. Eng.
Engineering Manager, Fuels
Delegated Authority under section 36(3) (c) of TSS Act

c. Waleed Hathat, Imperial Oil, waleed.h.hathat@esso.ca

**A legible copy of this letter shall be kept readily available near the appliance/equipment.
This Variance is not valid unless all Variance Conditions in this letter have been met.**