

April 10, 2025

Mr. Greg Ochs
Director, Central Region
Office of Pipeline Safety
Pipeline and Hazardous Material Safety Administration
901 Locust Street, Suite 480
Kansas City, MO 64106

RE: South Bow Infrastructure Operations, Inc. - MP171 (Fort Ransom) North Dakota Release

Dear Mr. Ochs,

Please be advised that as a result of the release of crude oil that was discovered on April 8, 2025 on the Keystone 30" diameter pipeline in Ransom County, North Dakota, South Bow Infrastructure Operations, Inc (South Bow) is committed to performing a complete investigation into the root cause of the release and developing a corresponding comprehensive program to verify the safe and reliable operation of the pipeline.

After the control center leak detection systems detected a pressure drop in the system, South Bow initiated shut down of Phase 1 of the Keystone pipeline within 2 minutes. The segment of pipe between the Fort Ransom Pump Station and the first downstream mainline valve (FTRSM+9.5) has been isolated by closing the valves at those locations (the "Isolated Segment"). South Bow has initiated its Emergency Response Plan and have started to deploy personnel and equipment to the site to contain the release. In addition, South Bow has initiated an investigation into the accident and will commence its repair of the pipeline and restoration of the accident site. Given the significant impact of the interruption in deliveries of crude oil to the US refined products market, South Bow is committed to working in a responsive and cooperative way with the Accident Investigation Division and Central Region of PHMSA. Work performed will be completed by qualified individuals, as outlined in the Operator Qualification Program Manual. Access to the Keystone Oil Control Center would continue to be extended so that PHMSA could validate set-points, if desired.

South Bow commits to the following actions:

1. **Affected Segment** – The 30" Keystone Pipeline segment from Fort Ransom Pump Station to Ludden Pump Station (45.7 miles).
2. **Pipeline Isolation** – South Bow will not introduce additional crude oil into the Affected Segment until authorized to do so by the Central Region Director.

In order to mitigate continued gravity drain down of the crude oil into the failure site and its migration into the soil, one (1) stopple fitting will be installed downstream of the release location.

3. **Release Investigation** – As a means to determine the origin and nature of the release feature, South Bow will complete a comprehensive site assessment which includes:
 - a. The safe excavation, inspection, and non-destructive examination of the Affected Segment in the vicinity of the oil release to determine the origin of the release, the nature of the feature causing the release, and the factors contributing to the feature. The designated onsite PHMSA representative will be engaged in the preliminary determination of the release feature, along with South Bow Pipe Integrity Engineers and qualified NDE technicians. Preliminary investigation assessments will be provided to PHMSA.
 - b. Review of construction records (materials, welding, etc.) as well as operating records (In-Line Inspection, operating history, cathodic protection, etc.) for the Affected Segment to aid in further understanding the nature of the release feature and its contributing factors. Following the internal assessment, South Bow will review the results with PHMSA and provide the associated records as applicable.
4. **Repair Plan** – South Bow will develop a repair plan for the permanent repair of the pipeline. This repair plan will be reviewed with representatives of the Central Region to determine reasonability and appropriateness. Daily execution plans for the repair will also be issued to refine the plan implementation and clarify work sequencing to inform PHMSA's oversight strategy. Any modified procedures will be submitted to the Director for review and/or approval, as required.
5. **Restart Plan** – Prior to restarting the pipeline, South Bow will prepare and submit to the Director for review and/or approval, as required a plan with the following elements:
 - a. A daytime restart of the Keystone Pipeline system will occur.
 - b. Plan to reconstitute the column from Hardisty to Fort Ransom Pump Station in anticipation of the Affected Segment being repaired and prior to authorization from the Director to restart the pipeline.
 - c. Implement interim reduced operating parameters in which the pipeline will be initially operated. Specifically, a reduction of the steady state operating pressure of the line in the affected segment to 80% of the discovery pressure at the time of the release. Additionally, a reduction of the steady state operating pressure of other similar segments of Keystone Phase 1 will be evaluated, prior to authorization from the Director to restart the pipeline. These interim restrictions will be re-evaluated as the investigation progresses. The pressure control will be implemented at the field locations to ensure the pressures are not exceeded.
 - d. Dependent upon the determination of the factor(s) that contributed to the release, additional preventive and mitigative measures may be required to confirm the integrity of the pipeline.



- e. Aerial patrolling of the Affected Segment will be performed daily during initial restart and for the following 72 hours.
 - f. Personnel will be deployed to critical locations so that they will be in position to shut down, isolate, contain, or perform any other emergency action on the impacted sections of the Affected Segment.
 - g. Confirm that the Affected Segment will have full normal operations telemetry and functionality prior to restarting the pipeline.
 - h. The restart of the pipeline and return to normal operations will be in accordance with the company's operations, maintenance and emergency procedures, with specific attention to control room management, alarm management, computational leak detection and abnormal operations requirements.
6. **Mechanical and Metallurgical Testing** – South Bow will propose, in conjunction with an independent metallurgical testing facility approved by the Director, a mechanical and metallurgical testing plan for a comprehensive mechanical and metallurgical analysis of the release feature. This plan will be submitted to the Director for review and/or approval, as required. Prior to beginning the Mechanical and Metallurgical Testing, the Director will be provided with the scheduled date, time and location of the testing to allow for a PHMSA AID and/or Central Region representation to witness testing. The testing laboratory will distribute all reports whether final or draft in their entirety to the Director at the same time as they are available to South Bow.
7. **Root Cause Failure Investigation (RCFA)** – South Bow will initiate an RCFA supported by an independent third-party consultant as approved by the Director, incorporating the findings from the Mechanical and Metallurgical Testing Report, Release Investigation, the Emergency Response, Control Room Management, Leak Detection, Pipe Integrity and Public Awareness Programs.
8. **Integrity Verification and Remedial Work Plan** – An integrity verification and remedial work plan addressing the findings of the mechanical and metallurgical testing and RCFA will be developed and submitted to the Director for review and/or approval, as required. The plan will be designed to confirm, to the extent practicable, the integrity of the Affected Segment, and the system as applicable.
9. **Reporting** – South Bow will provide daily updates to the Director until the repair has been completed and the pipeline restarted, followed by periodic updates at a frequency of no longer than 30 days or as otherwise specified by the Director.
10. **Documentation Report** – A summary report of the events associated with the release, repair, and integrity verification will be provided to the Director within 180 days of the authorization from the Director to resume normal operations in the Affected Segment. This Documentation Report will be in addition to the 30-day report required under Part 195. It is



requested that reporting period extensions be permitted upon consideration and review by the Director if required upon South Bow request.

South Bow is committed to meeting PHMSA's expectations with each of the items identified above and welcomes the opportunity to meet with the Director to further define these expectations and/or identify other items. It is our belief that this collaborative approach will expedite the safe return to operations and thereby minimizing the impact this interruption is having on the US energy sector.

Respectfully,



Mark Yeomans, P.Eng.
Vice President, Engineering

Cc:
Richard Prior

