

February 12, 2015

Jason Sharpe, P.Eng.
Vice President, Engineering and Construction
ATCO Pipelines
7210 – 42 Street N.W.
Edmonton, Alberta T6B 3H1

Dear Mr. Sharpe:

ATCO Pipelines
Review of Pipeline Integrity Management and Emergency Procedures

1. On September 29, 2014 the Alberta Utilities Commission requested ATCO Pipelines to address the following topics:
 - a) Confirmation from an officer of ATCO Pipelines that pipeline integrity management and emergency response procedural manuals have been prepared and maintained in an up-to-date fashion in accordance with relevant industry and CSA standards and that the company is operating day-to-day in compliance with the procedures established in the manuals.
 - b) Identification of the five highest risk high pressure pipelines in the ATCO Pipelines high-pressure pipeline network describing the nature of the risk, including the criteria used to assess risk; as well as the current risk mitigation procedures in place to ensure safe and reliable pipeline operations for those pipelines.
 - c) Identification and description of the systems in place at all producer transportation and interconnecting pipeline systems to ensure pipeline overpressure protection is in place to, in turn, ensure that the maximum operating pressure of downstream high-pressure gas utility pipelines will not be exceeded.
 - d) The status of inspections and integrity of all high-risk pipeline river or water crossings and plans to ensure safe operation at any locations where the pipelines may have inadequate cover or are subject to flooding damage.
 - e) Provision of a list of sites and tentative scheduling where ATCO Pipelines plans to conduct visual pipeline inspection digs to assess the integrity of the pipelines and coating which may have been identified by an external corrosion direct assessment or other

means. Commission staff would like to be present for at least one such inspection each year.

2. On November 28, 2014, ATCO Pipelines provided the information requested.
3. With respect to the topic of overpressure protection, ATCO Pipelines described its policies and procedures for the operation, inspection and maintenance of the facilities that it owns and operates. However, ATCO Pipelines indicated that while it is not aware of any instances where appropriate overpressure protection is not in place, explicit verification has not been provided by upstream facility owners. In this respect, ATCO Pipelines stated that in the event it identifies a situation where overpressure protection is not adequate, appropriate corrective action or capital improvements would be performed to rectify the situation.
4. The Commission considers that it is appropriate for ATCO Pipelines to further investigate and explicitly verify, with producer transportation and connecting pipeline operators, that adequate overpressure protection is in place to ensure that the maximum pressure of the ATCO Pipelines facilities will not be exceeded. The Commission requests that ATCO Pipelines provide confirmation of this further investigation and any corrective action resulting from such investigation by December 1, 2015.
5. Should you require assistance, please contact the undersigned at your convenience.

Yours truly,

Brian Shand, P.Eng.
Director, Gas Facilities
Phone: 403-592-4434
Email: brian.shand@auc.ab.ca