

November 5th, 2019

Alberta Utilities Commission
Eau Claire Tower
1400, 600 Third Avenue S.W.
Calgary, Alberta T2P 0G5

Attention: Brian Shand, P.Eng., Director, Gas Facilities

Re: AltaGas Utilities Inc. Response to Safety and Loss Management Systems Review

This letter is in response to the recommendations from the Safety and Loss Management Systems Supplemental Review (SLMS Review) issued by the Alberta Utilities Commission (AUC or the Commission) to AltaGas Utilities Inc. (AUI) on March 22, 2019 and the subsequent meeting had between AUI and the AUC on May 24, 2019.

As stated in our prior response to the SLMS review, AUI prioritizes the safety and security of its employees, customers, and infrastructure at all times. As such, we are actively engaged in the continual improvement of our safety and loss management systems and processes. However, through the SLMS Review, AUI has determined that although many of the required policies, practices, and processes that make up a structured SLMS are in place, they are not all adequately documented or structured according to the non-mandatory elements of the CSA Z662:19 standard.

To correct this, AUI is committed to developing an SLMS in concordance with CSA Z662:19. This will include bringing together applicable existing processes under an umbrella structure modeled after the CSA standard. This initiative will also include the development of those SLMS related management systems that are not yet fully formed at AUI (e.g., Risk Management). A project of this scope and complexity will require a great deal effort and resources to ensure its effective delivery, and as such, AUI estimates this initiative will take approximately three and a half years. To ensure full visibility, AUI is committed to providing progress updates to the AUC every 6 months during the project.

It is critical to note, that despite the absence of a standardized SLMS, AUI can confidently state the organization has all of the necessary processes in place for the protection of people, property and the environment and is compliant with its statutory obligations and mandatory requirements.

As detailed in our previous submissions under this review, the following core documented programs make up AUI's current SLMS:

- **EOH&S Management System** - documented in AUI's EOH&S Management System Manual and Practices. This system outlines the policies and practices that ensure the safety

of all AUI employees, customers and the general public, including detailed practices for mitigating risks and hazards. AUI's EOH&S Management System is aligned with all legislative requirements and incorporates many industry standards.

- **Emergency Preparedness and Response Program (EPRP)** - documented in AUI's Emergency Management Plan, Emergency Management Guide, and Emergency Response Manual. The EPRP outlines the support structures and resources required to support safe and effective response to emergencies. In addition, it includes detailed emergency response procedures for specific emergencies related to gas pipeline systems.
- **Integrity Management Program (IMP)** – documented in AUI's Integrity Management Program Manual. This program provides the structure for AUI's safe and reliable integrity management of pipeline systems and pressure regulating and metering facilities that operate in excess of 700 kPa. The IMP ensures AUI is constructing and maintaining high pressure assets in order to maximize their safety and long term integrity.
- **Competency Assessment Program (CAP)** – documented in AUI's Competency Assessment Plan. The CAP forms AUI's comprehensive approach to employee development, training, and competency assessment as related to the construction, operation and maintenance of pipeline systems. This program ensures AUI's employees are competent to perform the necessary tasks to keep themselves, AUI's customers, and the general public safe.
- **Standard Practice Manual (SPM)** – a procedural document outlining detailed guidelines and internal standards for the safe design, construction, operation, and maintenance of AUI pipeline systems. The SPM adheres to both legislative requirements and mandatory industry standards.

To further assure the AUC of AUI's commitment to the protection of people, property, and the environment, the following are examples of significant accomplishments in relation to safety and loss management:

- Consistent achievement of the COR Safety certification every year since AUI's first submission in 2004;
- Proactive addressment of integrity issues through the replacement of aging infrastructure as part of AUI's formal System Betterment pipeline and station replacement program;
- A consistently low incident frequency when compared to natural gas utilities in North America;
- Full compliance with provincial regulations under the Pipeline Act;
- An average of 99.9999987% system reliability over the past 10 years; and
- 100% compliance with the AUC's targets for emergency response under Rule 002 since their inception.

Attached to this letter is a high-level plan for the development of AUI's SLMS. Appendix A summarizes all attachments as part of this submission.

AUI notes all supporting documents submitted with this letter are confidential and appreciates that the Commission does not intend to make this information public.

Should the Commission or its staff have any questions or concerns, please contact the writer.

AltaGas Utilities Inc.
Per:

Dan Paquette
Director, Distribution Operations

Appendix A – Documents Attached to Submission

- AUC SLMS Review – AUI SLMS Plan.docx