

September 29, 2014

Russell Wintersgill
Vice President, Operations and Engineering
AltaGas Utilities Inc.
5509 45 Street
Leduc, Alberta T9E 6T6

Dear Mr. Wintersgill:

AltaGas Utilities Inc.
Review of Pipeline Integrity Management and Emergency Procedures Manuals

You will recall that the Commission undertook a review of pipeline integrity management and emergency response procedure manuals related to gas utility pipelines operating at pressures greater than 700 kPa. The Commission is satisfied that the procedures in those manuals are inclusive of the criteria established in the relevant CSA standards.

The Commission requests confirmation from an officer of AltaGas Utilities Inc. (AltaGas) that the 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 in day-to-day compliance with the procedures established in the manuals.

In addition the Commission requests that AltaGas file a report with the Commission by November 28, 2014 addressing the following areas of current interest to the Commission:

1. Identification of the five highest risk high pressure pipelines in the AltaGas 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.
2. Identification and description of the systems in place at all producer transportation (if any) and interconnecting pipeline systems to ensure pipeline overpressure protection is in place to ensure that the maximum operating pressure of downstream high pressure gas utility pipelines will not be exceeded.
3. 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.

Finally, please provide a list of sites and tentative scheduling where AltaGas 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. Should you require assistance, please contact the undersigned at your convenience.

Yours truly,

Brian Shand, P.Eng.
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