

February 12, 2015

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

1. On September 29, 2014 the Commission requested AltaGas Utilities Inc. to address the following topics:
 - a) Confirmation from an officer of AltaGas 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 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.
 - 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 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.

2. On November 28, 2014, AltaGas provided the information requested.
3. With respect to the topic of overpressure protection AltaGas described that it utilizes either a regulator/relief or a monitor regulator arrangement where systems of different maximum operating pressures are connected. While the Commission appreciates that response, the Commission was primarily interested in seeking clarification with respect to ensuring that upstream connecting pipelines, possibly with the same licenced maximum operating pressure, have adequate safeguards in place to prevent pipeline over-pressuring. For example, a producer transportation source of supply might have compression facilities capable of discharging at operating pressures greater than the producer's licenced downstream operating pressure, even though that licenced operating pressure might appear compatible with that of AltaGas. The Commission observes that AltaGas has producer transportation service rules and therefore expects that AltaGas has producer transportation sources on its system.
4. The Commission considers that it is appropriate for AltaGas 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 AltaGas facilities will not be exceeded. The Commission requests that AltaGas 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,

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