



May 16, 2013

Mr. Brian Shand, P. Eng.  
Director, Gas Facilities  
Fifth Avenue Place East  
Fourth Floor, 425 1<sup>st</sup> Street SW  
Calgary, AB T2P 3L8

Dear Mr. Shand,

**Re: Review of ATCO Pipelines (“AP”) Pipeline Integrity Program and  
Emergency Management Manuals**

In response to the Alberta Utilities Commission’s (“AUC” or “Commission”) reviews of the AP Pipeline Integrity and Emergency Management programs provided on April 2, 2013, AP submits its management response to the recommendations forthcoming from the reports. AP has not responded to the recommendations made in the Procedural Audit sections of these reviews as it understands those recommendations were directed toward the Commission.

In response to the Commission’s intention to post the consultant reviews and AP responses on the AUC website, AP treats its Pipeline Integrity Program and Emergency Management Program documents as confidential information. As such, AP respectfully requests that its program documents and management responses be kept confidential.

Should you have any questions or require further assistance, please contact me the undersigned at (403) 245-7617 at your convenience.

Yours truly,

*(Original signed)*

Bob Johnston, P. Eng.  
Senior Manager, Operations Regulatory

## **AUC Consultant Review of the AP Emergency Management Program**

### **Recommendations and AP Management Responses**

#### **I. CSA-Z1600-08 Review (Table 1)**

*The following Sections of CSA-Z1600-08 are not evident in ATCO Pipelines Emergency Management Program:*

##### **4.4.5 Program Budget**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes program budgets, schedules and milestones.*

##### **Management Response**

EM Program expenses are budgeted within the individual AP departments with program responsibilities. AP's Environment, Standards, and Quality Assurance (ESQA) group has the responsibility to budget, schedule, and execute the Exercises associated with AP's EM program. AP will add a description of its budget procedures to its EM Program document.

##### **6.6.2 Systems**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes the telecommunication and other communication systems.*

*The remaining sections of the Emergency Management Program contain documented policies, methods and procedures to manage the pipeline integrity requirements of CSA-Z1600-08.*

##### **Management Response**

AP will add a reference list to its EM Program document of telecommunication and other communications equipment included under its EM Program.

#### **II. CSA-Z731-03 Review (Table 2)**

##### **5.2.2 Types of Records**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes the creation or retention of:*

- Activation records*

- Resource mobilization records*
- Notification and/or reporting records*
- Debriefing records*

### **Management Response**

AP work instructions (WI159 Emergency Call, WI160 Emergency Callout and Emergency Callout Report 0317-0037-xxxx) provide details on the creation and retention of the noted records. In the event of an incident, work instruction WI254 Incident Investigation and Reporting is activated along with an Incident Investigation Report (IIR), a Management Incident Review Report (MIRR) and an Incident Summary Report (ISR) are developed. Corrective Actions are recorded in an Action Item Management (AIM) spreadsheet with responsibility and timeline to complete corrective action established. AP will provide a description of these procedures in its EM Program document.

### **6.2 Equipment Inspection and Maintenance**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes procedures for the inspection and maintenance of emergency response equipment.*

### **Management Response**

AP will add a description to the EM Program document that references its inspection and testing procedures for emergency response equipment including: telecommunication and other communications equipment, gas monitoring equipment, and fire extinguishers.

### **6.4 Distribution**

No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes a procedure of ERP distribution to all employees, departments and agencies charged with responsibilities under the plan, and formal records of such distribution.

The remaining sections of the Emergency Management Program contain documented policies, methods and procedures to manage the pipeline integrity requirements of CSA-Z731-03.

## **Management Response**

The AP document distribution policy is described in its GE111-Document Development and Control Program. The GE111 document describes the AP on-line document library, controlled document recipients, and the Standards and Quality Assurance Manual (SQAM) database. AP will add a reference to GE211 – Document Development and Control to its' EM Program document.

### **III. ERCB Directive 071 Review (Table 3)**

#### **2. Corporate Level ERPs**

##### **2.1.3, 4**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes policies that ensure the 24hour emergency telephone number initiates immediate action and that the 24hour emergency telephone number is posted at all facilities.*

#### **Management Response**

The EM Program document includes a description of this requirement in section EM701 Emergency Contacts and in AP work instruction - WI159 Emergency Call. AP will update its WI159 to include the reference to “immediate response” and will include the requirement of a documented test of the 24 hour number. AP will also revise the EM program to provide references to WI139 – Pipeline Warning Signs, WI145 – Station Signage, and WI146 – Compressor Station Signage.

##### **2.1.5 Reception Centre**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes policies that ensure the activation of a reception centre and the meeting and registering of all evacuees.*

#### **Management Response**

AP transmits sweet natural gas through approximately 8,500 kilometers of transmission pipelines. In this context, AP will add a description to its EM Program document that indicates that AP supports the local Municipal Authority in establishing a Reception Centre and the meeting and registering of evacuees. In the event of activating a Reception Centre, AP will dispatch representatives and contractors to the centre to support the municipal authority. AP will develop a new work instruction to describe this requirement including the registration of evacuees. For the Salt Cavern facility, AP will update its WI166 Salt Caverns Emergency Response Plan to indicate the location of the Reception Centre.

## **5.2 Public Protection Measures**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes maps meeting the requirements of Section 5.2.*

### **Management Response**

AP owns and operates approximately 8,500 kilometers of sweet natural gas pipelines within the Province of Alberta with all transmission pipelines descriptions and mapping in its Geographic Information System (GIS). Operational conditions and descriptions are contained in the System Control and Data Acquisition system (SCADA). As indicated in Directive 071, section 2.1, site specific ERP documents are not required for sweet natural gas pipeline facilities. AP maintains a corporate level ERP for its pipeline systems and a site specific ERP for its Salt Cavern facility. AP maintains a map within its Salt Cavern ERP that meets the requirements of Directive 071, Section 5.2 (W1166 – Salt Cavern – Emergency Response Plan). The EM Program will be revised to include an AP system map and a reference to the site specific map for the AP salt caverns which is included in W1166 - Salt Caverns – Emergency Response Plan.

## **5.4 Equipment List**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes equipment lists including location, number and type.*

### **Management Response**

AP will add a description to its EM Program document of inspection and testing procedures for emergency response equipment including: telecommunication and other communications equipment, gas monitoring equipment, and fire extinguishers. The description will include location, number and type.

## **5.7 Plan Distribution**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes an ERP distribution list.*

### **Management Response**

The AP document distribution policy is described in its GE111-Documents Development and Control Program. The GE111 document describes the AP on-line document library, controlled document recipients, and the Standards and Quality Assurance Manual (SQAM) database. AP will add a reference to GE211 – Document Development and Control to its' EM Program document.

AP will also revise the EM Program document to indicate that the Salt Cavern ERP distribution list is described in work instruction - WI166 – Salt Caverns – Emergency Response Plan.

## **5.8 Communications Planning**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes bridging paragraphs for overlaying operations.*

### **Management Response**

As per Directive 071, section 2.1, site specific ERPs are not required for all pipeline facilities. A corporate level ERP is used to manage emergency response for the majority of facilities with the exception of the AP salt caverns which has a separate site specific ERP as required by Directive 071, Section 5.2. AP does not operate third party facilities with ERPs as described in the Commission's EM Program Review at Table 1 in section 20.

## **5.11 Record Keeping**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes processes for recording:*

- Local authority and government discussions*
- Type of resident notifications*
- Attempts made to contact individuals*
- Public consultation*

### **Management Response**

Specific notification and consultation, as indicated in Table 2 of Directive 071, is only required for the AP salt cavern facility. Descriptions of record keeping requirements are included WI159 - Emergency Call and WI160 - Emergency Call-Out, WI170 – Emergency Call – Pipeline Alley, WI184 Northeast Region CAER UPDATEline and Call-Out System and the Emergency Call Report and Emergency Call-Out Report forms. Procedures to record communication are also established in WI166 – Salt Caverns – Emergency Response Plan. AP will revise the EM Program document to indicate that the Salt Cavern ERP record keeping procedures are described in its work instruction - WI166 – Salt Caverns – Emergency Response Plan.

## **5.12 Reception Centre**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes procedures for establishing, activating, staffing meeting and registering evacuees at the reception centre.*

### **Management Response**

AP transmits sweet natural gas through approximately 8,500 kilometers of transmission pipelines. In this context, AP will add a description to its EM Program document that indicates that AP supports the local Municipal Authority in establishing a Reception Centre and the meeting and registering of evacuees. In the event of activating a Reception Centre, AP will dispatch representatives and contractors to the centre to support the municipal authority. AP will develop a new work instruction to describe this requirement including the registration of evacuees. For the Salt Cavern facility, AP will update its W1166 Salt Caverns Emergency Response Plan to indicate the location of the Reception Centre.

## **14 Common Requirements for ERPs**

### **14.1 ERP Location**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes policies to ensure ERPs are up to date and stored at response locations.*

### **Management Response**

The AP document distribution policy is described in its GE111-Documents Development and Control Program. The GE111 document describes the AP on-line document library, controlled document recipients, and the Standards and Quality Assurance Manual (SQAM) database. AP will add a reference to GE211 – Document Development and Control to its' EM Program document.

### **14.4 Equipment Location and Calibration**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes policies to ensure equipment is available, operational, tested and calibrated.*

### **Management Response**

AP will revise the EM Program to list the location and type of equipment that is available, operational and calibrated for use in the EM Program.

### **14.5.1 Downgrading and Stand-down of Emergency Levels**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes policies to ensure consultation with the ERCB and other agencies as applicable to ensure emergency stand-down is appropriate.*

#### **Management Response**

The EM Program includes a description of procedures used to ensure that emergency downgrading and stand-down of emergency levels are made in consultation with the ERCB and other agencies. The description is included in Section 503.3.4 Downgrading Emergency Levels.

### **14.10 Exercise Requirements**

*No evidence was found in documented policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes policies to ensure notice to the ERCB, and invitations to applicable agencies of scheduled training exercises.*

#### **Management Response**

ATCO Pipelines will revise the EM Program document to reference the requirement to notify the ERCB and other applicable agencies of scheduled training exercises.

### **14.11 Record Keeping** *(found in table but not list in deficiencies)*

*No evidence was found in policies, methods or procedures to indicate that ATCO Pipelines Emergency Management Program includes policies to ensure ERP's are kept current.*

*Efforts to keep the ERP current, including attempts to contact or obtain the cooperation of any required persons and any outstanding issues yet to be resolved*

#### **Management Response**

The EM currently contains policy and procedures to ensure that the EM Program is kept current are described in Sections EM100 and EM300.

## **AUC Consultant Review of the AP Pipeline Integrity Management Program**

### **Recommendations and AP Management Responses**

#### **1. Annex N.4 Description of pipeline systems.**

*The addition of pipeline descriptions as defined in CSA Z662-11 Annex N.4 which will provide both the regulator and the licensee a high level summary of the licensee's pipeline systems. The development of pipeline descriptions, along with pipeline license summaries, and pipeline maps (see CSA Z662-11 Section 10.5.1.1b) will provide pipeline inventories to ensure all pipelines are properly licensed and compliant to pipeline integrity programs.*

#### **Management Response**

AP owns and operates approximately 8,500 kilometers of sweet natural gas pipelines within the Province of Alberta with all transmission pipelines included in its' integrity programs. AP maintains detailed pipeline descriptions and mapping in its Geographic Information System (GIS). Operational conditions and descriptions are contained in the System Control and Data Acquisition system (SCADA). Refer to Section 202.1 – Facilities Inventory; Section 203.3 Graphics System and 303.1.1F – Pipeline System Control and SCADA.

AP will add a summary level description of its pipeline systems to its Pipeline Integrity Program document.

#### **2. Annex N.8 – Hazard Identification and Control**

*The addition of methods and procedures to manage the requirements related to the policy statements.*

#### **Management Response**

AP fulfills the hazard identification requirement for its pipeline systems through a wide range of integrity program activities. Hazards are identified through the Prevention Programs described in Section 302, Detection (Monitoring) Programs described in Section 303 and Mitigation Programs described in Section 304. Examples of activities include corrosion control, in-line inspection, external assessments, direct assessments, right of way surveillance, watercourse inspections, geotechnical assessments, leak surveys, SCC assessment, record reviews and activities resulting from industry recognized hazards. Management is informed of hazards found through program activities through ongoing integrity status reporting. Identified hazards are monitored and tracked until control measures have been implemented.

AP will add references to describe the methods and procedures used to manage hazard identification and control to its Pipeline Integrity Program document.

### **3. Annex N.9 - Risk Assessment**

*The addition of methods and procedures to manage the requirements related to the policy statements.*

#### **Management Response**

The existing risk assessment description is contained in Section 203.2 – Pipeline Integrity Database. AP is in the process of developing an improved integrity management system to replace its existing process. A description of the risk assessment process included within the new integrity management system will be added to the Pipeline Integrity Program document once this new system has been implemented.

### **4. Annex N 11 – Integrity Management Program Planning**

*The addition of methods and procedures to manage the requirements related to the policy statements.*

#### **Management Response**

AP's Pipeline Integrity Program includes various methods of pipeline assessment and surveillance with the objective of identifying priorities for corrective action, capital improvement or replacement projects. Examples of the hazards identified by integrity program activities include external corrosion, stress corrosion cracking, weld defects, mechanical fitting failure, third party hits, watercourse crossing exposures, ground movement and encroachments. Integrity programs are planned and scheduled to assess and control hazards on an annual basis. These preventive, detection and monitoring programs are described at a high level in Section PI300.

AP will add descriptions to its Pipeline Integrity Program document to address the methods and procedures used to plan, prioritize and schedule integrity program activities.

### **5. Annex N 15 - Continual Improvement**

*The addition of methods and procedures to manage the requirements related to the policy statements.*

## **Management Response**

As described in Article 202.6 Quality Control Plan and Section PI400, AP is committed to continuous improvement of its Pipeline Integrity Program. This includes internal program monitoring, analysis, and management review processes. The Pipeline Integrity Program Manual, Corrosion Control Manual and related work instructions are reviewed and updated with improvements on a scheduled basis. Key pipeline integrity program metrics are monitored, measured and reported to management in briefing reports (Refer to Section 400). AP participates and supports transmission pipeline industry groups such as the Canadian Energy Pipeline Association (CEPA) and the Canadian Standards Association (CSA) to ensure awareness and response to pipeline integrity issues recognized within industry (Refer to Section 303.1.4C). AP staff also participates in pipeline integrity training activities to ensure knowledge of industry recognized integrity issues, hazards and control measures.

AP will include additional references in its Pipeline Integrity Program document that describe the procedures it uses for monitoring, measuring, analyzing and improving its integrity programs.