



1700, 355 – 4th Avenue SW
Calgary, AB T2P 0J1

January 23, 2017

Filed Electronically

National Energy Board
517 10th Ave. SW
Calgary, Alberta
T2R 0A8

ATTN: Ms. Sheri Young, Secretary of the Board
File OF – Fac – Gas – A174 – 2016 – 01 0101
Re: Abandonment Hearing HWW – 003 -20016
AltaGas Holdings Inc. on behalf of AltaGas Pipeline Partnership (AltaGas)

Re: Application to Abandon John Lake Pipelines – NEB Potential Draft Conditions – AltaGas Comments

In response to the NEB's letter dated December 19, 2016 regarding (Order AO-2-XG-3-88), AltaGas submits the following information in response to the proposed draft conditions forth by the NEB.

AltaGas submits the following information to address the NEB's environmental concerns for the John Lake Abandonment Procedure:

1. Project Design, Location, and Activities

AltaGas shall abandonment the John Lakes Pipelines in accordance with the specifications, standards (including Canadian Association (CSA Z662-15, Oil and Gas Pipeline Systems), commitments made and other information referred to in its Application or in its related submissions.

Through the NEB's compliance screening process (CVA 1516-008), AltaGas has provided detailed descriptions of both its pipeline integrity and pipeline operations and maintenance pocess'. As required by OPR's section 6.5(1)(g), (h) and (i), AltaGas' pipeline integrity management program manual contains a chapter identifying legal requirements for the integrity, operations and maintenance of its pipelines for the lifecycle of its pipeline systems.

2. Implementation of Environmental Protection

AltaGas shall implement or cause to be implemented all of the policies, practices, programs, mitigation measures, recommendations, commitments, and procedures for the protection of the environment included to in its Application or in its related submissions.

As provided to the NEB through in its compliance screening process (CVA 1516-008)



3. Phase I Environmental Site Assessment

AltaGas shall file with the Board, at least 90 days prior to commencing the Abandonment Activities:

- a. A Phase I environmental Site Assessment (ESA) (as per the guidance provided in the most recent version of CSA Standard Z768-01, Phase I Environmental Site Assessment) for the Project, including but not limited to, the ground disturbance sites, to investigate and describe any potentially hazardous materials and the likelihood of any historical contamination associated with the site where the Project is located; and
- b. Confirmation that the Phase I ESA did not identify potential condition associated with the Project; or
- c. Confirmation that a Phase II ESA will be filed with the Board as per Condition 5 of the Order, if the results of the phase I ESA indicates that a Phase II ESA is warranted; and
- d. Confirmation that a copy of the Phase I ESA has been provided to Onion Lake Cree Nation.

It is AltaGas's understanding that an EPP and Phase I ESA will be required for the area being disturbed as part of the project. AltaGas requests that rather than completing and submitting a Phase I ESA prior to the construction/abandonment process that it would be more effective and a more meaningful assessment to incorporate the potential impacts after completion of the abandonment process. Otherwise collected information will not be confirming impacts due to the actual abandonment process. This would be similar to other NEB abandonment approvals issued to AltaGas in the past.

The development of a Phase I ESA is to identify any potential impacts due to historical activities while a EPP is completed to protect the environment during abandonment activities. If we complete the Phase I ESA after construction, ensuring we follow the EPP, it will further serve to confirm that there were no impacts caused as a result of the abandonment activities. This is generally the process followed for purpose of reclamation projects. Any observed findings obtained from the Phase I ESA shall be shared with OLCN members. OLCN has also provided a NO OBJECTION response to AltaGas for its Application to Abandon the John Lake Pipeline Project.

4. Phase II Environmental Site Assessment and Remediation Action Plan

AltaGas shall file with the Board for approval, at least 45 days prior to commencing the Abandonment Activities:

- a.) A statement that a Phase II ESA is not required, or if the results of the Phase I ESA indicate that a Phase II ESA is warranted, a Phase II ESA (as per the guidance provided in the most recent version of CSA Standard Z769-00, Phase II Environmental Site Assessment) which includes the following:



- i) A detailed description of procedures to be implemented for investigation of all existing or potential contamination identified pursuant to the Phase I ESA; and
 - ii) Results of the soil and groundwater analysis, and findings of the Phase II ESA:
- b.) Confirmation that results of the Phase II ESA, or a statement indicating that it was not required, has been provided to Onion Lake Cree Nations (OLCN);
- c.) Confirmation that remediation was not required, or if the results of the Phase II SA identify that remediation is required, a Remediation Action Plan in accordance with the NEB's Remediation Action Plan. In its summary, AltaGas shall provide a description and justification for how it has incorporated the results of its consultation, including any recommendation from OLCN into the Plan.

In the development of the required job scope for this abandonment project, a ROW assessment was conducted and from its review, it was identified that there is no potential to conduct a Phase II ESA. This shall be confirmed through the Phase I ESA and AltaGas shall conform to the recommendations/finding contained within Phase I ESA Assessment. OLCN has provided a non-objection letter to AltaGas for the pipeline abandonment process but AltaGas shall provide all findings from the Phase I ESA to OLCN members and intends to utilize OLCN members for the construction activities for this pipeline abandonment process.

5. Environmental Protection Plan

AltaGas shall file with the Board for approval, at 45 days prior to commencing Abandonment Activities, an Environmental Protection Plan for the Project. The Environmental Protection Plan shall describe the environmental impacts from the Abandonment Activities associated with this project, including, but not limited to:

- a.) Procedures for planned Abandonment Activities and reclamation including soils handling, appropriate handling, testing and disposal of material, and revegetation or vegetation management techniques designed to restore disturbed areas to equivalent land capability;
- b.) Measures to identify and characterize any contamination encountered during Abandonment Activities (for example, by visual or olfactory indicators, soil vapour testing, or soil sampling) and a contingency plan to be implemented in the event that potential contamination is encountered; and
- c.) Procedures for spill prevention, response and reporting during the Abandonment Activities.

As mentioned in the above sections, as well as within Ghostpine' Scope of Work and Preliminary Cost Estimate for John Lake Pipelines Abandonment Project, the majority of the pipeline activities to be undertaken by this project will be located on active wellsite leases operated by others and where previous industrial activities have taken place. The identified wellsite lease locations are owned by separate oil companies and AltaGas will only be required to remove several pipeline risers associated with AltaGas Pipeline License # 80060-1 and 80060-2. The wellsite owners will be required to



reclaim the wellsite's according to Alberta and Saskatchewan wellsite reclamation certification processes at a later date. In the development of this project AltaGas has chosen to limit the areas affected by these Abandonment activities (reducing the environmental footprint of the project) and shall develop its EPP in accordance with these activities. AltaGas also submits finding from conducted ROW assessments to identify undisturbed area for the development of reclamation activities (within the project areas of soil disturbances) designed to restore disturbed area to the equivalent land capability as identified in the ROW assessment.

6. Plan for Aboriginal Participation in Monitoring of Abandonment Activities

AltaGas shall file with the Board at least 30 days prior to commencing Abandonment Activities, and provide a copy to Onion Lake Cree Nation (OLCN), a plan describing participation by OLCN in monitoring of Abandonment Activities for the Project. The Plan shall provide a description of the scope, methodology and measure for monitoring activities to be undertaken by OLCN, including:

- a.) A summary of the consultation activities to be undertaken with OLCN to determine the proposed scope, methodology and measure for monitoring activities;
- b.) Those elements of abandonment that will involve OLCN monitoring;
- c.) A description of how information gathered through the participation of OLCN monitors will be used by AltaGas; and
- d.) A description of how information gathered through participation of OLCN monitors will be provided to OLCN.

As described in OLCN's non-objection letter, AltaGas and OLCN have agreed to mitigation options including monitoring during the construction process. AltaGas has agreed to provide the proposed scope to OLCN one week prior to construction activities and OLCN are to provide a plan and budget for execution.

Information gathered by OLCN monitors will not be used by AltaGas and is for OLCN purposes only.

7. Post-Abandonment Report and Post-Abandonment Monitoring Plan

On or before 31 January after the first complete growing season following the completion of the Abandonment Activities, AltaGas shall file with the Board for approval, the following:

- a) a Post-Abandonment Report that shall include: photographs and a brief description of landscape and land cover on and off the pipeline right-of-way;
 - i. information or documentation demonstrating that the state of land at the area disturbed during the Abandonment Activities is restored to equivalent land capability or plans for further corrective actions and monitoring;
 - ii. confirmation of:



- a. placement and maintenance of appropriate signage at the abandoned pipeline right-of-way; and
 - b. updating of pipeline status with first-call services;
 - iii. a remediation report confirming that all contamination has been remediated to the most stringent federal or applicable provincial environmental criteria, if any contamination was discovered during the Abandonment Activities. The remediation report shall describe all applied remedial activities and summarize the methods and results of any soil and groundwater sampling and analyses conducted; and
 - iv. confirmation that a copy of the Post-Abandonment Report has been provided to Onion Lake Cree Nation (OLCN).
- b) a Post-Abandonment Monitoring Plan that shall include:
- i). a description of the environmental components or issues to be monitored;
 - ii.) monitoring methods for each environmental component or issue;
 - iii.) further corrective actions planned and schedule for further monitoring and reporting;
 - iv.) confirmation that a copy of the Post-Abandonment Monitoring Plan has been provided to OLCN

AltaGas will provide all requested post abandonment requirements which are identified through AltaGas' developed EPP and ESA evaluations. This information shall be provided to the NEB for the John Lake Abandonment Project and all finding and monitoring requirements will be shared with OLCN members.

8. Condition Compliance by Accountable Officer

Within 30 days after completion of the Abandonment Activities, AltaGas shall file with the Board, confirmation, by the its accountable officer, as defined in the Nation Energy Board Onshore Pipeline Regulations, that the Project was completed, and that all Abandonment Activities were conducted in compliance with all applicable conditions to this Order. If compliance with any of these conditions cannot be confirmed, the accountable officer shall file with the board details as to why compliance cannot be confirmed. The filing required by this condition shall include a statement confirming that the signatory to the filing is AltaGas' accountable officer.

As describe within AltaGas Pipeline Integrity Management Program Manual (Section 1.1)

AltaGas Holdings Ltd. (AltaGas) has appoint Dave Harris (President and Chief Executive Officer) as AltaGas' accountable officer who has appropriate authority over the company's human and finical resources to establish, implement and maintain its management systems and protection programs, and to ensure that the company meets its obligation for safety security and protection of the environment. AltaGas has notified the National Energy Board (Board) of the identity of this accountable officer and a signed statement has been submitted to the Board accepting the responsibilities of the position. The accountable officer shall ensure that the organization shall meet the requirement set forward in section 6



contained within the National Energy Board's Onshore Pipeline Regulations (SOR (Statutory Order and Regulations)/99-294).

AltaGas shall provide the NEB, within 30 days of completion of the John Lake Abandonment Activities, conformation that the said project has been completed in compliance with all applicable conditions to this Order. Should these conditions not be met details to why compliance cannot be confirmed shall be provided. These filed communications will signed by AltaGas' accountable officer (David Harris).

If you have questions please contact me at the undersigned

A handwritten signature in blue ink, reading "Roger Dlugosz", with a long horizontal flourish extending to the right.

Sincerely,

Roger Dlugosz | Manager Pipeline Operations-Gas Operations | AltaGas Holdings Ltd.

1700, 355 4th Ave. SW Calgary AB T2P 0J1

Direct: 403.691.7022 | Fax: 403.691.7575

E-mail: roger.dlugosz@altagas.ca

ATTACHMENTS

- A. Northshore - Scope of Work and Preliminary Cost Estimate for John Lake Pipelines Abandonment Project (Order AO-2-XG-3-88).pdf
- B. Ghostpine - Scope of Work and Preliminary Cost Estimate for John Lake Pipelines Abandonment Project (Order AO-2-XG-3-88).pdf
- C. John Lake -OLCN John Lake Pipeline Non-Objection Letter.pdf