



File OF-Surv-OpAud-P384-2016-2017 01
8 June 2017

Mr. Jason Balasch
President & Accountable Officer
Plains Midstream Canada ULC
Aurora Pipeline Company Ltd.
1400, 607 – 8th Avenue S.W.
Calgary, AB T2P 0A7
Facsimile [REDACTED]

Dear Mr. Balasch:

National Energy Board's (Board or NEB) approval of Plains Midstream Canada ULC (Plains) and Aurora Pipeline Company Ltd. (Aurora) Corrective Action Plan (CAP) developed in response to the 2017 audit of Plains and Aurora's Pipeline Patrol Activities.

The National Energy Board (NEB or Board) hereby approves Plains and Aurora's CAP submitted by letter dated 16 May 2017 in response to the findings identified in the Board's audit of Plains and Aurora's pipeline patrol activities.

The Board finds Plains and Aurora's proposed approach to addressing the deficiencies is acceptable. Accordingly, the Board directs that all corrective actions be completed on or before the dates set out in Table 1.

The Board will verify that the CAPs are systemically applied and include measures to prevent recurrence.

The Board will make the CAP public and will continue to monitor and assess all of Plains and Aurora's corrective actions with respect to this audit until they are fully implemented. The Board will also continue to monitor the implementation and effectiveness of patrol activities through targeted compliance verification activities as a part of its on-going regulatory mandate.

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The CAP Review Process

During the CAP review, the NEB will review the deliverables as outlined by Plains and Aurora's CAP. Each finding will be considered resolved when all of the deficiencies as described in the report have been addressed in accordance with the legal requirements, the commitments and the actions described in the CAP. Meetings to discuss CAPs will be organized if required.

Table 1 – CAP Due Dates

Due Date	Plains and Aurora's CAP	Findings addressed
30 December 2017	1.1 Right of Way Patrols	Observing conditions and activities (CSA clause 10.6.1.1).
30 December 2017	1.2 Policy and Commitment Statements	Finalize and approve DP program document.
30 December 2017	3.1 Operational Control-Normal Operations	Approved procedure for ROW monitoring and patrols.
30 December 2017	3.5 Communication	Approved communications process.
30 December 2017	4.3 Internal Audit	Approved audit and assessment plan including ROW patrol activities.

In the coming days, the Lead Auditor will contact Plains and Aurora's representative whom we have copied on this letter to arrange the document review for the CAP. If you require any further information or clarification during the review, please contact Niall Berry, Lead Auditor, at 403-471-1921.

Yours truly,

Original signed by

Sheri Young
Secretary of the Board

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