



May 16, 2017

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SALLE DE COURIER

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NEB/ONE

Plains Midstream Canada (ULC)

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Calgary, Alberta T2P 0A7

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NATIONAL ENERGY BOARD

517 Tenth Avenue S.W.
Calgary, Alberta T2R 0A8

Attention: Ms. Sheri Young
Secretary of the Board

**Re: Plains Midstream Canada ULC (Plains)
Aurora Pipeline Company Ltd. (Aurora)**

Dear Ms. Young:

In accordance with the focused audit on sub-element 4.1 *Inspection Measurement and Monitoring* of the NEB Management System and Protection Program Audit Protocol, please accept the attached corrective action plan and implementation timeline for the five findings from the final report submitted to Plains on April 18, 2017.

We are confident that the process undertaken to review the report and determine corrective actions will meet the requirements of the NEB. If you require any additional information or have any questions, please contact me at [REDACTED] or by email at [REDACTED] at your convenience.

Sincerely,

[REDACTED]

[REDACTED]

Attachments:
Attachment A:
Corrective Action Plan

NEB 4.1 ROW Patrol Focused Audit CAP

Audit Report Finding (Non compliant Expectation) Reference	Gap	Corrective Action	How to verify closure	Action Item Due Date	Action Item Accountable SE Owner(s)
4.1 Inspection, Measuring and Monitoring					
Finding 1 A review of a sample of aerial patrol reports identified that these reports did not include confirmation that each of the CSA-Z662-15 clause 10.6.1.1 conditions and activities were being monitored or assessed during patrols. This type of reporting by exception does not allow for any monitoring of developing trends that can affect the safety and operation of the pipeline nor does it document an assessment of the various potential issues.	PMC does not include a checklist of CSA Z662-15 (10.6.1.1) conditions and hazards on the PMC Aerial Report Template. Reporting is done by exception so it is not possible to confirm all conditions and hazards were considered during patrol.	-Revise ROW Patrol Report template to include CSA Z662-15 (10.6.1.1) conditions and hazards list.	-Revised ROW Patrol Report template including CSA Z662-15 (10.6.1.1) conditions and hazards list	30-Dec-17	2.7 Damage Prevention
Finding 2 The policies and goals of the Damage Prevention Program are documented in the "Damage Prevention Program Governing Document" however this document is in Draft. To meet the requirements of this audit element, the Damage Prevention Program Governing Document will need to be finalized and implemented.	The Damage Prevention Program is in draft.	-Complete the Damage Prevention Program and post to Policies and Governance repository for use by the organization.	-Approved Damage Prevention Program -Evidence of inclusion on Policies and Governance repository	30-Dec-17	2.7 Damage Prevention
3.4 Operational Control - Normal Operations					
Finding 3 Plains and Aurora Midstream Canada has formal patrol activities that are documented specific to the patrol process however Plains and Aurora also uses their field operations employees to monitor ROW during their daily activities (referred to in the audit as Operational Employee Patrols). This monitoring is not documented in an SOP or written into job requirements. Through interviews and record reviews the auditors noted inconsistent monitoring practices of the field operations employees, that would be addressed with documented job requirements.	Requirements for employee ROW patrols are not formalized or documented in the Program or supporting documentation.	-Complete the ground patrol procedure for ROW monitoring and patrol requirements.	-Approved procedure for ROW monitoring and patrol requirements	30-Dec-17	2.7 Damage Prevention
3.5 Communication					
Finding 4 Plains and Aurora has a written process for external incident reporting. Plains and Aurora provided examples of communications directed at both internal and external stakeholders. However, Plains and Aurora could not demonstrate that it has a written process for communication with the public; workers; contractors; regulatory agencies; and emergency responders.	PMC requires an overarching documentation to outline communications to the public, workers, contractors, regulatory agencies, and emergency responders.	-Complete a communication process for PMC's ROW surveillance and monitoring element.	-Approved communications process	30-Dec-17	2.7 Damage Prevention
4.3 Internal Audit					
Finding 5 Plains and Aurora was unable to demonstrate it has conducted internal audits that included patrol activities to determine whether patrol activities are adequate or effective.	PMC has not completed an internal audit with ROW Patrols in scope.	-Include internal audit of the Damage Prevention Program (including ROW patrol scope) in 2018 Annual Audit and Assessment Plan.	-Completed and approved 2018 Audit and assessment plan which includes ROW / patrol activities	30-Dec-17	6.2 Operations Assurance
		-Complete a procedure for self assessment of surveillance and monitoring element.	-Approved procedure for self assessment of surveillance and monitoring element	30-Dec-17	2.7 Damage Prevention