



Canada Energy Régie de l'énergie
Regulator du Canada

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File OF-Surv-OpAud-A174-2018-2019-01
8 May 2020

Mr. Aaron Bishop
Senior Vice President – Operations and Engineering
Accountable Officer
AltaGas Holdings Incorporated for and on behalf of
AltaGas Pipeline Partnership
1700, 355 – 4th Avenue SW
Calgary, AB T2P 0J1
Email: [REDACTED]

Dear Mr. Bishop:

**Canada Energy Regulator Audit of AltaGas Holdings Incorporated for
and on behalf of AltaGas Pipeline Partnership Corrective and
Preventive Action (CAPA) Plan Close-out Letter**

The National Energy Board (NEB or Board) conducted an audit in 2018 of the Quality Assurance (QA) Program of AltaGas Holdings Incorporated for and on behalf of AltaGas Pipeline Partnership (AltaGas). A final audit report was issued on 28 February 2019 in which several Non-Compliant findings were identified. AltaGas provided a CAPA Plan to address the Non-Compliant audit findings on 28 March 2019 that was approved by the Board on 03 April 2019.

During the 2019-2020 CAPA Plan review period, the federal government's *Bill C-69* came into force. On 28 August 2019, the *National Energy Board Act* was replaced by the *Canadian Energy Regulator Act* (CER Act). The Board was replaced by the Commission of the Canada Energy Regulator (Commission) and NEB staff became staff of the Canada Energy Regulator (CER). The audit was continued by the CER and its staff under the authority of section 103 of the CER Act. The OPR was modified to become the *Canada Energy Regulator Onshore Pipeline Regulations* (SOR/99-294).

Following the approval of a CAPA Plan, the CER verifies that the corrective and preventive actions in the plan are being implemented in accordance with the details committed to within the approved plan. This verification is completed by conducting scheduled Implementation Assessment meetings with the company. Upon verification by the CER staff that CAPA Plans are implemented, the CER closes out the audit. Over the review period, AltaGas demonstrated that it had completed its corrective and preventive actions in accordance with the approved CAPA Plan.

One additional item was identified in the Board's (CER's) final audit report that it followed up on its Implementation Assessments. In its report, the Board noted that AltaGas had not established and implemented a management system and all of the protection programs in accordance with the requirements of the OPR.

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At that time these observations did not constitute Non-Compliant findings as the observed deficiencies were outside the scope of the audit and thus did not require the submission of a corrective and preventive action plan to address each of them. However, the Board advised AltaGas that it expected AltaGas to take immediate action to bring its management system and programs into alignment with the requirements of the OPR.

During the CER Implementation Assessments, AltaGas demonstrated that it had taken action to establish and implement a management system and programs in accordance with the requirements of the OPR. While CER Staff acknowledge that AltaGas has taken actions to address the noted management system and program deficiencies, the CER did not during the course of its Implementation Assessments verify that the AltaGas management system and programs completely meet the requirements of the OPR; this would have to be completed through a much more detailed and thorough review, such as through a management system audit. Therefore, AltaGas should not interpret this audit close-out letter as a compliant assessment of its management system or programs as a whole.

With the issuance of this letter, the CER considers the 2018 audit of AltaGas' QA Program to be closed. The Commission reminds AltaGas that once CAPA Plans are closed, they are considered to be implemented, and AltaGas is accountable to maintain compliance by continuing to implement and manage its activities and facilities in accordance with the OPR and it's committed to changes. The CER will verify ongoing compliance through future compliance verification activities.

Yours truly,

Original signed by

Mark Tinney
Lead Auditor
Inspection Officer Number: 2777

c.c. [REDACTED], Manager, Regulatory Compliance – Gas Operations