



March 07, 2017

Alberta Utilities Commission
5th Avenue Place
400, 425 – 1st Street SW
Calgary, Alberta
T2P 3L8

Attention: Brian Shand, P. Eng.

**Re: ATCO Pipelines
Radiographic Weld Inspection**

2017-2018 General Rate Application (Proceeding ID 22011)

Please find the attached quarterly update of 'Spreadsheet (b)' regarding ATCO's radiographic weld inspections as requested in the Alberta Utility Commission's information clarity request, received by ATCO on September 29th, 2016.

In addition, ATCO would like to include the following updates:

Potential for Presence of Cracks or Crater Cracks Identified in Third-Party Review

All sites identified via a third-party radiographic reviewer that identified the potential for critical features such as cracks, crater cracks, or crack-like features were investigated and confirmed through radiographic inspection to contain no critical features. If additional cracks or crack-like features are identified as a result of AP's ongoing re-inspection program, those features will be prioritized for assessment and repair.

Investigation and Repair of Larger Diameter Pipeline Assets in Urban Areas

ATCO has completed the re-inspection and repair work at all previously identified larger diameter pipeline assets in urban areas before the close of 2016. This includes inspection and repair work at the Class 3 & 4 locations on the Northwest Edmonton Connector, Shepard Transmission, East Calgary B and Mainline South (North) as detailed in the ATCO's October 25 response to the AUC. ATCO will continue to utilize a risk based approach to prioritizing and completing the required re-inspection and resulting repair or replacement work.

The information contained here within is current as of December 31st, 2016. ATCO will provide the next quarterly update to the AUC in April 2017 and will be current as of March 31st, 2017.



Should the AUC request further clarification or desire further information on this matter, please contact the undersigned at 780-420-7225 or by email at graeme.feltham@atco.com.

Sincerely,

Graeme Feltham, P. Eng, MBA
Vice President, Engineering & Construction
ATCO Pipelines