

News Release

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Canada

AER releases investigation report on pipeline incident near Sundre

www.aer.ca

For immediate release

Red Deer, Alberta (March 4, 2014)...The Alberta Energy Regulator (AER) has released its investigation report that details Plains Midstream Canada's (Plains) Rangeland pipeline failure that occurred on June 7, 2012, near Sundre, Alberta.

The pipeline incident resulted in approximately 462 m³ of crude oil being released into the Red Deer River, and nearby residents were impacted.

The AER investigation concludes that the pipeline failure was caused by deficiencies in the company's management of the pipeline and preincident administration procedures. The AER investigation describes the company's failure to

- inspect the Rangeland pipeline annually,
- complete inspections on the pipeline at the required frequency according to its own pipeline integrity management program,
- apply appropriate mitigation measures according to its own assessment of scour (erosion of river bed under pipe),
- apply appropriate mitigation measures according to its own hazard assessment, and
- to respond to the Government of Alberta's high stream flow advisories that were issued on (June 5th and 6th, 2012) and which would have mitigated the volume of crude oil released.

On July 4, 2013, the AER issued an order under section 22 of the *Oil and Gas Conservation Act* against Plains; the order includes a full regulatory audit of the company's Alberta pipeline operations. The audit stems from the company's failure to follow Alberta regulatory requirements over a prolonged period of time.

The AER has also issued four high risk enforcement actions against the company for its role in the Rangeland pipeline failure. The AER enforcement action directs the company to update its emergency response plan and to conduct a resident awareness program within the emergency planning zone of the Rangeland pipeline. Further, Plains is required to develop, implement, and electronically submit an action plan to the AER detailing what the company will do to prevent future regulatory noncompliance.

Should the company fail to complete any of the required actions, the AER will issue additional high risk enforcement actions and escalate existing enforcement consequences.

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The AER provides regulatory oversight for more than 421 000 kilometres of pipeline within Alberta's borders. If the AER identifies a pipeline operation that is, or is at risk of, causing unacceptable impacts, the regulator will pursue all available remedies to ensure that public safety is protected and environmental stewardship is upheld.

In 2013, the AER conducted nearly 1400 pipeline inspections and investigations. As a result, 217 high risk noncompliances were recorded, and 37 pipelines were suspended.

The Alberta Energy Regulator ensures the safe, efficient, orderly, and environmentally responsible development of hydrocarbon resources over their entire life cycle. This includes allocating and conserving water resources, managing public lands, and protecting the environment while providing economic benefits for all Albertans.

FOR BROADCAST USE:

The Alberta Energy Regulator (AER) has released its investigation report into the June 7, 2012, Plains Midstream Canada Rangeland pipeline failure near Sundre that released about 3200 barrels of crude oil into the Red Deer River. The AER has found that the failure was caused by a combination of high river flow conditions and deficiencies in Plains's preincident administration and management of the pipeline. In July 2013, the AER issued four high risk enforcement actions against the company for the spill and started an audit into the company's operations in Alberta. The full report is available at www.aer.ca.

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