

May 3, 2016

Disposition 21566-D01-2016

Ms. Heather Procyshyn
Senior Manager, Regulatory
ATCO Pipelines
1200, 909 11 Ave. S.W.
Calgary, Alta. T2R 1L8

**ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd.
Compliance Filing to Decision 2012-310
Asset Swap – Tranche 3
Proceeding 21566**

Letter of acknowledgement

1. In Decision 2012-310,¹ the Alberta Utilities Commission approved ATCO Pipelines' asset swap application, which dealt with an agreement between NOVA Gas Transmission Ltd. and ATCO Pipelines (Asset Swap Agreement dated June 15, 2011) to transfer certain assets between the parties. In the decision, the Commission directed ATCO Pipelines to:

59. ... provide written notice to the AUC that the tranche is ready to close 30 days prior to each tranche closing date in accordance with Section 6(f) of the Transitional Operating Agreement.²

2. In a letter dated April 29, 2016, ATCO Pipelines notified the Commission that the facilities transfer between the two parties for Tranche 3 will occur on the closing date of June 1, 2016. Further, ATCO Pipelines advised that it will submit a reconciliation of the tranche transfers and applications for the license transfers on closing which will reflect the asset list for Tranche 3 included in the Third Amendment to the Asset Swap Agreement filed on January 29, 2016, in Proceeding 1723.

3. The Commission acknowledges receipt of ATCO Pipelines' April 29, 2016 letter in compliance with the direction from Decision 2012-310. The Commission also directs ATCO Pipelines to file its future reconciliation information of the tranche transfers and related Tranche 3 license transfers with its future licence application so that the Commission and interested parties can more effectively assess the implications of the Tranche 3 closing. A copy of this letter will be added to the record of Proceeding 1723.

¹ Decision 2012-310: ATCO Gas and Pipelines Ltd., Asset Swap Application, Proceeding 1723, Application 1608166, November 22, 2012.

² Decision 2012-310, paragraph 59.

4. If you have any questions or concerns, please contact the undersigned at 403-592-4412 or by email at mark.mcjannet@auc.ab.ca.

Sincerely,

Mark McJannet
Application Officer