



May 31, 2011

Re: **Additional Project Information**
Proposed Rainbow Pipeline II Project
HVP and LVP Pipelines and Associated Pipeline Installation

Dear Project Stakeholder:

Plains Midstream Canada (Plains) would like to provide you with additional information regarding our proposed Rainbow Pipeline II (RP II) Project. Details pertaining to this project were previously provided to all project stakeholders in the May 2010 public information package and to select affected stakeholders in the November 2010 pump station supplement and in the February 2011 additional pipeline supplement. Copies of these documents are available on the project website or upon request.

As stated in the project information package you have previously received, the proposed pipeline project will supply condensate and butane to heavy oil production areas near Nipisi, Alberta. These products will be used to dilute heavy oil so it can be transported by pipeline from the Nipisi area to the refineries and distribution hubs near Edmonton, Alberta. The Rainbow Pipeline II Project will be owned and operated by Plains.

Since you were first notified of the proposed RP II Project, several structural changes have occurred. These changes include:

- The proposed North Edmonton Pump Station will be located in NE-17-53-23 W4M and will no longer include butane storage at this time. A project information supplement pertaining specifically to this installation was provided to affected stakeholders. Since issuing this supplement, the proposed installed pumping power has changed. The station will now include two (2) mainline shipping pumps that will each be driven by 932 kW (1250 hp) electric motors.
- The pipeline segment between the Enbridge Terminal and the proposed North Edmonton Pump Station will now transport only condensate, a low vapour pressure (LVP) product, and will be licensed accordingly.

- An additional spare 323.9 mm (12 inch) outside diameter (OD) pipeline between the Enbridge Terminal and the proposed North Edmonton Pump Station is proposed. A project information supplement pertaining specifically to this spare pipeline was provided to affected stakeholders.
- The proposed transition site will be located in 10-36-54-24 W4M.
- There have been a number of route changes including:
 - A major reroute in the NE Edmonton area, where the route will exit the Edmonton Transportation and Utility Corridor (TUC) within SW06-54-23 W4M and enter the existing Rainbow Pipeline right of way (ROW) within NW08-54-23 W4M. The proposed route is no longer adjacent to CFB Edmonton.
 - A route change in the Mitsue area, where the existing Rainbow Pipeline ROW will now be used for the proposed project, instead of requiring a new ROW for an alternate route.
 - Several other minor route changes that were made along the initially proposed route to accommodate landowners' requests.

Please refer to the attached map depicting the revised project route. In all cases, affected stakeholders along the revised route have been consulted.

- Upgrades to the existing Nipisi Terminal will no longer include additional butane storage at this time.

An application for Approval of the Conservation and Reclamation Report for the proposed RP II project was submitted to Alberta Environment on March 4th, 2011.

Applications for a licence to construct and operate the proposed Rainbow Pipeline II Project were submitted to the Alberta Energy Resources Conservation Board (ERCB) on April 29th, 2011. As applied for, the proposed RP II system will consist of the following:

- two approximately 5.5 km long segments of 323.9 mm (12 inch) OD steel pipelines that will transport condensate (LVP) from the Enbridge Terminal, within SE05-53-23 W4M near Edmonton, to a pump station site located at NE17-53-23 W4M.
- a pump station and meter site located in North Edmonton, adjacent to the Edmonton Transportation and Utility Corridor (TUC), which will be located at NE17-53-23 W4M and designed to allow for a future butane supply tie-in.

- an approximately 20 km long segment of 323.9 mm (12 inch) OD steel pipeline extending from the North Edmonton Pump Station site located at NE17-53-23 W4M to a transition site that will accommodate a change in pipe size.
- a transition site located at 10-36-54-24 W4M, which is required to accommodate the change in pipe diameter from 323.9 mm (12 inch) OD steel pipeline to 273.1 mm (10 inch) OD steel pipeline. It will consist of a new above-ground site containing two pig traps and associated piping.
- an approximately 275 km long segment of 273.1 mm (10 inch) OD steel pipeline from the transition site located at 10-36-54-24 W4M, to Plains' existing Nipisi Terminal, at NW02-80-08 W5M. This segment will be installed within Plains' existing Rainbow Pipeline to the maximum extent possible.
- a midpoint meter station that will be located on or adjacent to Plains' existing pump station site near Flatbush, within 13-21-66-01 W5M.
- above-ground block valves (MBVs) installed at regular intervals along the pipeline.
- additional metering that will be installed at Plains' existing Nipisi Terminal, at NW02-80-08 W5M.

Since May 2010 and throughout the design and development of the proposed Project, Plains has endeavored to implement a comprehensive participant involvement program, in full compliance with the ERCB requirements and with all other applicable regulations. Plains is committed to continue this extensive communication process throughout the regulatory review, construction, commissioning, and operation phases of the Project. All communications related to this Project should be directed to the following contact points:

Project toll-free information line: 1-877-420-6264

Project email: RainbowPipelinell@plainsmidstream.com

Project website: www.plainsmidstream.com/rainbowpipelinell



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Should further information be required regarding the construction or operation of this project, a project representative can be reached using the project contact information provided on the previous page of this letter.

Yours truly,

Paul Kelly
Director, EH&S, Land and Regulatory
PLAINS MIDSTREAM CANADA