

January 29, 2015

ATCO Gas and Pipelines Ltd. (South)
7210 – 42 Street N.W.
Edmonton, Alberta T6B 3H1

Attention: Chris Johnson, P. Eng.
Group Leader, Pipelines Engineering

**Line Split in the Edmonton Area to Facilitate a Portion of the Paddle River Pipeline
Transfers to ATCO Energy Solutions
Licence 5341
Proceeding 20071
Application 20071-A001**

Minor pipeline project application

ATCO Gas and Pipelines Ltd. (South) (ATCO), filed Application 20071-A001 on January 20, 2015 with the Alberta Utilities Commission under Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act* for approval of the following in Township 54, Ranges 26 and 27, west of the Fourth Meridian:

- splitting Line 4 into lines 4 and 49
- stress level amendment of Line 4 from 0 to 66.

The proposed work is related to a minor split of existing pipe, within the original right-of-way, previously constructed and operating in accordance with approvals granted in Licence 5341.

ATCO proposed to split Line 4 to facilitate the pipeline transfer of lines 4, 34, 35, 36, 42, 43, 47 and 48 of Licence 5341 from ATCO to ATCO Energy Solutions Ltd. (AESL). These lines would be transferred under a future application.

ATCO stated that on January 1, 1995 ATCO and AESL entered into a long term pipeline facilities lease, whereby ATCO leased one of its Paddle River pipelines to AESL for the purposes of transporting natural gas. In conjunction with NOVA Gas Transmission Limited, ATCO determined that the Paddle River pipeline is no longer required for regulated utility service and should therefore be removed from utility rate base. As per the terms of the lease, on June 30, 2014, ATCO provided AESL with formal notification of ATCO's intent to terminate the lease effective December 31, 2014. AESL subsequently expressed its desire to acquire the pipeline effective December 31, 2014. ATCO stated that transfer of the Paddle River pipeline would be completed via ATCO's affiliate asset transfer method in accordance with the approved ATCO Group Inter-Affiliate Code of Conduct, Appendix 5 of Decision 2003-040, under a future application.

ATCO has provided information respecting the need, nature and extent of the project. Since the project does not involve a ground disturbance, there will be no environmental impact. The landowners and occupants of the affected lands did not object to the project.

Based upon the information provided, ATCO has demonstrated that the proposal is of a minor nature, no person other than the landowners and occupants of the land upon which the project takes place will likely be directly affected by the proposal, and no adverse environmental impact will be caused by the pipeline split.

The Commission approves the application. The amended licence is attached.

Brian Shand, P. Eng.
Director, Gas Facilities
On behalf of the Alberta Utilities Commission

Attachment