

July 22, 2016

**Decision 21797-D01-2016**

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

Attention: Justin Middleton, EIT  
Project Engineer, Operations Engineering

**Pipeline Removal and Replacement in the Sturgeon River  
Licence 1826  
Proceeding 21797  
Application 21979-A001**

**Minor pipeline project application**

1. ATCO Gas and Pipelines Ltd. (South) (ATCO), by Application 21797-A001 registered on July 8, 2016, filed an application with the Alberta Utilities Commission under Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act* to for the following:
  - splitting of line 8 into lines 8, 69, 70 and 71
  - removal of line 69
  - abandonment of line 70 to be registered in a separate application
  - addition of a newly constructed pipeline (line 72 – 0.54 kilometres of 323.9-millimetre outside-diameter pipeline)
2. The proposed work is related to the minor split, removal and replacement of existing pipe within the original right-of-way, previously constructed and operating in accordance with approvals granted in Licence 1826.
3. ATCO stated a watercourse exposure of the 323.9-millimetre Legal Uncas Transmission Pipeline at the Sturgeon River was discovered during a watercourse survey. Approximately three metres of pipeline is currently exposed near the north bank of the river. ATCO proposed to install approximately 540 metres of new pipeline by way of horizontal directional drilling from one side of the river to the other. The new pipeline would be installed slightly offset from the existing pipeline, within the same right-of-way.
4. ATCO proposed to install a new section of 323.9-millimetre pipeline, line 72; remove a section of the existing 323.9-millimetre outside-diameter pipeline, line 69; and abandon a section of the 323.9-millimetre outside-diameter pipeline, line 70 in a separate application. Lines 8 and 71 would remain operating in place.

5. ATCO stated that the Sturgeon River exposure project was not included as part of ATCO's recent general rate application, Proceeding 3577. A full needs assessment is required for this project as the expected costs exceed the abbreviated need threshold outlined in Table 3.1 of Rule 020: *Rules Respecting Gas Utility Pipelines*. A copy of the Sturgeon River Exposure Business Case<sup>1</sup> has been provided with this application to outline the project need.
6. ATCO stated that the Legal Uncas Transmission System was installed in 1953. The pipeline has recently become exposed due to natural erosion. According to Table 4.9 of CSA Z662.15 *Oil and gas pipeline systems*, a pipeline must have a minimum depth of cover of 1.2 metres at a water crossing in order to protect the pipeline. In the business case, an alternative that considers installing engineered cover on the riverbed to meet the cover requirements of Table 4.9 of CSA Z662.15 was presented. However, the alternative was dismissed since current regulation does not allow armoring the bed and bank of a water body where the pipeline does not currently meet the scour depth requirements of the *Code of Practice for Pipelines and Telecommunication Lines Crossing a Water Body*.
7. ATCO stated the total project cost<sup>2</sup> is estimated to be \$2,620,000. This includes a capital cost of \$2,358,000 and a removal cost of \$262,000. The installation of the new pipeline crossing of the Sturgeon River is expected to begin at the end of July 2016 with the removal of the exposed pipeline expected to take place immediately following the new installation.
8. ATCO stated that an environmental effects assessment has been prepared for this project as well as an environmental protection plan.<sup>3</sup> The Commission accepts ATCO's statement that it would follow all recommendations included in the environmental protection plan. The pipeline would be tested for liquids prior to removal. Any liquids found would be removed and properly disposed of.
9. ATCO has received *Historical Resources Act* clearance<sup>4</sup> from Alberta Culture and Tourism.
10. ATCO stated that consultation was completed on June 23, 2016 with landowners and occupants in accordance with Rule 020. Confirmation of non-objection from directly and adversely affected landowners and occupants has been obtained. ATCO intends to provide additional project courtesy notifications to other landowners who are in close proximity to the project location, but are not directly affected prior to construction.
11. ATCO has provided information respecting the need, nature and extent of the project. ATCO has demonstrated that the pipeline river crossing replacement project is required to provide safe and reliable pipeline operations in compliance with the requirements of CSA Z662. Since the project involves limited ground disturbance and is within the original right-of-way, the

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<sup>1</sup> Exhibit 21797-X0009, ATCO Pipelines Business Case – Legal Uncas Transmission (323.9) Crossing at Sturgeon River at NW/SW-10-56-23-W4M-Replacement, 2015-R3961.

<sup>2</sup> Exhibit 21797-X0009, ATCO Pipelines Business Case – Legal Uncas Transmission (323.9) Crossing at Sturgeon River at NW/SW-10-56-23-W4M-Replacement, 2015-R3961, Page 2, Paragraph 2 (a).

<sup>3</sup> Exhibit 21797-X0007, ENVIRO MAK INC. – Environmental Effects Assessment and Environmental Protection Plan.

<sup>4</sup> Exhibit 21797-X0008, Historical Resources Act (HRA) clearance.

resultant environmental impact of the work has been assessed with no significant impact identified. The landowners and occupants of the affected lands did not object to the project.

12. 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 significant adverse environmental impact will be caused by the proposed project.

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

**Alberta Utilities Commission**

*(original signed by)*

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

Attachment