



ATCO Gas and Pipelines Ltd. (South)

**Construction of the Temple Gate Lateral Pipeline
City of Calgary**

August 10, 2016

Alberta Utilities Commission

Decision 21603-D01-2016

ATCO Gas and Pipelines Ltd. (South)

Construction of the Temple Gate Lateral Pipeline

City of Calgary

Proceeding 21603

Applications 21603-A001 and 21603-A002

August 10, 2016

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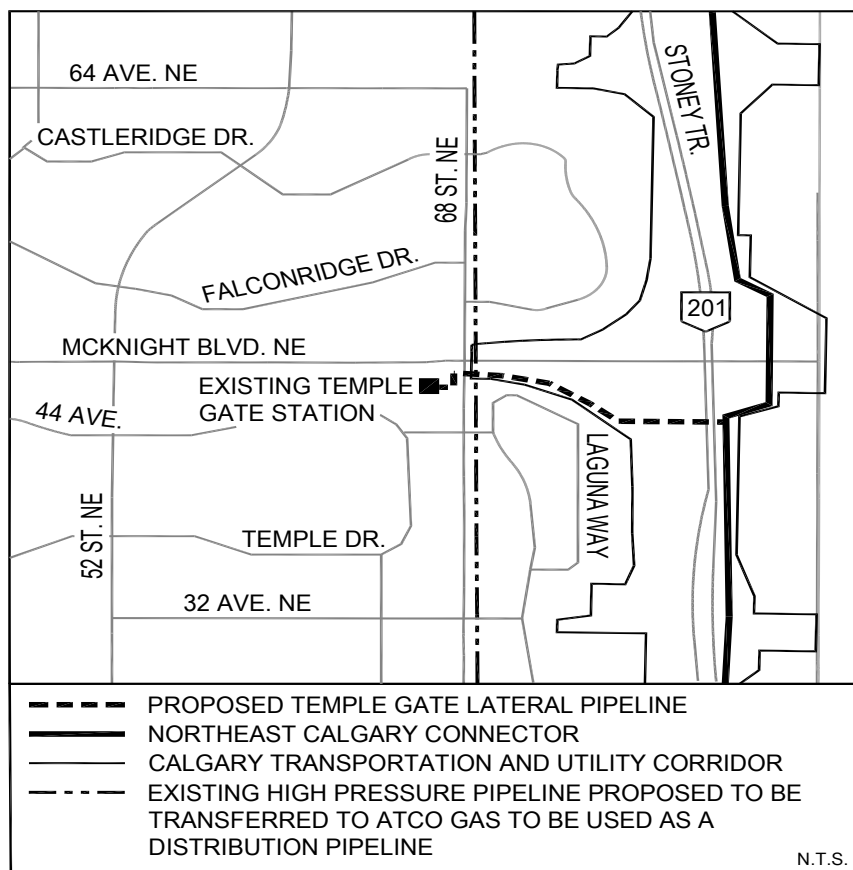
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1 Decision summary

1. In this decision, the Alberta Utilities Commission must decide whether to approve applications by ATCO Gas and Pipelines Ltd. (South) (ATCO) to construct the Temple Gate Lateral Pipeline (the project). After consideration of the record of the proceeding, and for the reasons outlined in this decision, the Commission finds that the proposed project is in the public interest and approves construction of the applied-for facility.

2 Introduction

2. On May 10, 2016, ATCO filed applications with the Commission to construct the 1.46-kilometre long 406.4-millimetre Temple Gate Lateral Pipeline, located primarily within the Calgary transportation and utility corridor (TUC) between Stoney Trail and 68 Street N.E. just south of McKnight Boulevard in Calgary, as shown on the map below. This pipeline is part of the Urban Pipeline Replacement Project.



3 Background

3.1 ATCO's Urban Pipeline Replacement Project

3. Most of ATCO's high-pressure gas transmission pipelines currently located in Calgary and Edmonton were constructed prior to 1970 in rural areas on the outskirts of each city. Since the original installation, urban development has surrounded the previously-installed rural network of transmission pipelines, such that many pipelines are now located in highly developed, densely populated areas.

4. In 2011, ATCO initiated a program for the replacement of these urban pipelines through a series of applications to the Commission. ATCO identified 12 individual replacement projects, four in Edmonton and eight in Calgary, designed to move many of its existing pipelines into the Edmonton and Calgary TUCs. ATCO referred to the project collectively as the Urban Pipeline Replacement Project (UPR project). In July 2012, the Commission directed ATCO to file a single application with it describing the need for the UPR project.

5. In its UPR project application, ATCO described why the project was necessary, the three other alternatives it considered, and why it believed that its proposed UPR project was the best alternative.

6. The Commission held a public hearing in the fall of 2013 to consider the need for the UPR project and the alternatives developed by ATCO. Following the hearing, the Commission issued Decision 2014-010¹ in which it approved ATCO's UPR project application. The Commission decided that the risk of continued long-term operation of the existing Edmonton and Calgary pipeline systems was unacceptable and determined that ATCO's UPR project proposal to move the systems primarily into the TUCs was in the public interest. The Commission concluded that the UPR project proposal was superior to the other alternatives, having regard to risk management, system integrity, reliability of supply, public disruption, technical feasibility and siting.

7. Following the Commission's approval of the need for the UPR project, ATCO began to file applications for the individual pipeline projects, laterals, transfers and abandonments that were described in its UPR project application.

8. On December 15, 2014, ATCO Pipelines filed a 2015-2016 general rate application² in which it updated the forecast cost of the Temple Gate Lateral Pipeline which is part of the Northeast Calgary Connector Pipeline and a component of the UPR project. On February 29, 2016, the Commission approved the forecast cost in Decision 3577-D01-2016.³ ATCO explained that it filed the update in response to the following direction given by the Commission in paragraph 249 of Decision 2014-010:

249. Should there be any material changes in the timing or any other aspect of the implementation of the UPR project, the Commission directs ATCO Pipelines to advise the Commission of such changes at the time of any related facilities application or at the time of its next [general rate application] GRA, whichever comes first.⁴

¹ Decision 2014-010: ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd. – Urban Pipeline Replacement Project, Proceeding 1995, Application 1608617, January 17, 2014. Errata issued on February 21, 2014.

² Exhibit 0001.00.ATCOPIPE-3577, 7.1 Attachment - UPR Project Updates.

³ Decision 3577-D01-2016: ATCO Pipelines 2015-2016 General Rate Application, Proceeding 3577, February 29, 2016.

⁴ Decision 2014-010, paragraph 249.

4 The applications

9. In the present applications, ATCO is requesting approval of amendments to Licence 5895 and Licence 10946. The amendments are sought pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*.

10. With respect to Licence 5895, the Temple Gate Lateral Pipeline, ATCO is proposing to construct a new 406.4-millimetre high-pressure sweet natural gas pipeline in the Calgary TUC in northeast Calgary, as part of ATCO's Northeast Calgary Connector Project. The proposed pipeline would connect the Northeast Calgary Connector Pipeline in the northeast quarter of Section 36, Township 24, Range 29, west of the Fourth Meridian to the existing Temple Gate Station in the northeast quarter of Section 35, Township 24, Range 29, west of the Fourth Meridian.

11. With respect to Licence 10946, ATCO is proposing to split line 2 into lines 2 and 6 and remove a 10-metre long section, line 6, to accommodate the installation of the Temple Gate Lateral Pipeline.

5 Commission process

12. A notice of application was issued by the Commission on May 31, 2016, indicating a deadline of June 23, 2016 for filing submissions to express objections to, concerns about, or support for the applications. The Commission extended the deadline for submissions until July 28, 2016 for parties who did not receive the original notice. No submissions were received by the deadlines set by the Commission.

6 Environmental assessment

13. ATCO retained CH2M HILL Energy Canada Ltd. to prepare a pre-construction site assessment and environmental protection plan⁵ for the Temple Gate Lateral Pipeline. ATCO described that the Temple Gate Lateral Pipeline would be located primarily within the Calgary TUC and determined that this project does not require submission of a conservation and reclamation report or approval because the project is located within the municipal boundaries of the city of Calgary and within the TUC. However, ATCO's submission explained that this is a Class II pipeline project and must nevertheless be constructed in adherence with Alberta *Environmental Protection and Enhancement Act* guidelines and in a manner that respects and protects environmental resources.

14. Because the project does not traverse any land with a designated historical resource value it does not require *Historical Resources Act* clearance.

15. ATCO indicated that there are no watercourses affected by the proposed pipeline route and that it would comply with the code of practice in accordance with the *Water Act* for all wetland crossings.

⁵ Exhibit 21603-X0014, Temple Gate Lateral Pipeline – Environmental Protection Plan and Pre-Construction Site Assessment.

16. The proposed 406.4-millimetre Temple Gate Lateral Pipeline would connect an existing valve assembly to an existing measurement and control station. Noise impact assessments were not performed for these facilities because there are no new control facilities being installed at these locations.

6 Consultation

17. ATCO stated that consultation with industry and landowners was completed in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines*. ATCO submitted that it placed public notification advertisements describing the proposed pipeline in the Calgary Sun and the Calgary Herald on November 17, 2015, and that it held an open house on November 24, 2015 at the Coast Plaza Hotel.

18. ATCO explained that the rights-of-way and workspace required to complete the construction was not requested from private landowners because the majority of the route of the proposed pipeline is located within the TUC and the remainder is located in the city of Calgary road allowance or ATCO's existing Temple Gate Station. Notification to landowners within a 200-metre distance from the project was completed. Consultation meetings were also held with Alberta Infrastructure and Alberta Transportation. ATCO submitted that the proposed pipeline alignment was arrived at through consultation with the above-noted stakeholders and affected landowners. ATCO indicated that it received a letter from Alberta Infrastructure⁶ stating it has no objection to the project and that ministerial consent for constructing the project within the TUC would be issued subsequent to Commission approval.

19. With respect to development in the TUC, Section 4(2) of the *Calgary Restricted Development Area Regulations* states:

No Minister of the Crown, government official or government agency shall, without the written consent of the Minister of Infrastructure, exercise any power under the *Municipal Government Act*, *The Pipeline Act*, 1975, the *Water Resources Act* or any other Act to order, authorize, approve, permit or consent to any operation or activity that causes, is likely to cause or will cause a surface disturbance of any land in the Area, or issue or cause to be issued any order, authorization, approval, permit, licence or consent instrument for that purpose.

20. ATCO stated that it has not received objections to the pipeline from any of the tenants, occupants and parties that may be potentially affected by the Commission's decision on its application. ATCO further reported that there were no concerns raised as a result of the industry notifications for the project.

7 Findings

21. As mentioned earlier, in Decision 2014-010, the Commission assessed and approved the need for the UPR projects in Calgary and Edmonton. On February 29, 2016, the Commission also approved the forecast cost for this project in Decision 3577-D01-2016.

⁶ Exhibit 21603-X0008 – MCC Letter of Non-Objection.

22. When deciding whether approval of the proposed facilities is in the public interest, the Commission is required by Section 17 of the *Alberta Utilities Commission Act* to have regard for the project's social and economic effects and its effects on the environment.
23. The Commission has reviewed the applications and has determined that they meet the information requirements of Rule 020, including public involvement and consultation. The Commission observes ATCO's confirmation in this respect that there are no outstanding public or industry objections or concerns.
24. The Commission recognizes ATCO's statement that it will comply with the code of practice in accordance with the *Water Act* for all wetland crossings, and also that the conservation and reclamation report approval and *Historical Resources Act* clearance are not required for this project.
25. The Commission finds that the environmental information required for the project has been sufficiently addressed within the environmental protection plan. The Commission expects ATCO to follow the specifications presented in the environmental protection plan in order to reduce the risk of adverse environmental impacts of the project.
26. The Commission recognizes that it may not issue a licence for the construction and operation of the portion of the project within the TUC until it receives the Minister of Infrastructure's written consent. It expects that ATCO will not begin construction until ministerial consent allowing it to construct and operate the pipeline within the Calgary TUC has been issued, and that ATCO will abide by any conditions set forth in the ministerial consent issued by Alberta Infrastructure.
27. Based on the foregoing, the Commission considers the project to be in the public interest, in accordance with Section 17 of the *Alberta Utilities Commission Act*.

8 Decision

28. Pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, the Commission approves the amendments to Licence 5895 and Licence 10946, subject to ATCO obtaining written consent from the Minister of Infrastructure for the portion of the project within the TUC and providing the Commission with written confirmation of that consent. Upon receipt of that consent, the Commission will issue the necessary licences.

Dated on August 10, 2016.

Alberta Utilities Commission

(original signed by)

Anne Michaud
Commission Member