

September 20, 2016

Decision 21923-D01-2016

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

Attention: Davis Wang, E.I.T.
Project Engineer, Compressor and Salt Caverns Engineering

**Removal of the Hinton Compressor Station
Licence 625
Proceeding 21923
Application 21923-A001**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (South) (ATCO), by Application 21923-A001 registered on August 24, 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 remove the Hinton Compressor Station (installation 3 of Licence 625). The proposed work is related to the minor removal of an existing pipeline installation, within the original lease, previously constructed and operating in accordance with approvals granted in Licence 625.
2. ATCO stated that the Hinton Compressor Station was originally constructed in the early 1980s to provide additional capacity in order to supply the Jasper Transmission Pipeline with adequate delivery pressures for customers in the town of Jasper. Incremental system receipts on the Jasper Transmission Pipeline aided the system capacity such that compression was no longer required. ATCO stated that it does not consider that the Hinton Compressor Station will be required in the future, as the receipt forecast for this system is not expected to decline. The Commission accepts ATCO's view that removing the compressor packages and associated equipment, as well as conducting associated environmental assessments, would allow for the reduction of the environmental and operational footprints by reclaiming the site.
3. ATCO proposed to remove the two compressors, storage shed, office building, office trailer, telemetry building, workshop/garage, above-ground cable trays and pipelines on the site for utilities and facility tie-ins, suction/discharge separators, and above-ground/underground storage tanks and septic tanks. ATCO would only have a ground bed serving as cathodic protection on the compressor station site because it is required for operation of the Jasper Transmission Pipeline. ATCO also intends to proceed with the abandonment of lines 42 and 43 under Licence 625 under a subsequent application. These 114.3-millimetre pipelines operate as the suction and discharge lines from and to the compressor station tie-in valve assembly approximately 90 metres northwest of the compressor station.

4. ATCO stated that the cost of the proposed work is estimated at \$250,000. The cost of the site reclamation program, to be initiated in 2017, is not included in the estimate as it is dependent upon on any recommendations resulting from the full Phase II environmental site assessment (ESA). ATCO would be responsible for 100 per cent of the actual costs associated with this work. ATCO stated that there is no capital cost component for this work since it is 100 per cent removal.

5. A Phase I ESA, an initial Phase II ESA and a hazmat survey have been completed for the site. The hazmat survey identified potential silica in concrete; asbestos in red tiles and caulking; lead paint on floors, garage doors, equipment and pipe; mercury in fluorescent lights; and polychlorinated biphenyls in fluorescent light ballasts. The asbestos was removed in December 2015. An electrical contractor would be used to remove the florescent lights and ballasts before demolition work begins. The silica in concrete and lead paint would be dealt with during the demolition work. The initial Phase II ESA borehole investigation did not identify evidence of impacts related to any of the analyzed parameters. The full Phase II ESA would follow the demolition work to confirm that there is no contamination underneath the infrastructure. In addition, the full Phase II ESA would also confirm if there are any hazardous materials left on site. ATCO would not seek a reclamation certificate for the compressor station site or the tie-in valve assembly since both would continue to see active operation due to the on-site cathodic protection facilities. The tie-in valve assembly also acts as a mainline block valve for the Jasper Transmission Pipeline.

6. Following completion of the full Phase II ESA for the Hinton Compressor Station Site, the Commission expects ATCO to implement all recommendations made in the full Phase II ESA and remediate any contaminated soils and groundwater on the site to meet the Alberta Tier 1 Soil and Groundwater Remediation Guidelines for Natural Areas.

7. ATCO stated that no water crossings would be affected by the proposed removal and abandonments and that any liquids encountered during the removal and abandonment process would be captured and properly disposed of.

8. ATCO stated that the project does not require a historical resource impact assessment since the proposed work area is not referenced in the latest edition of Alberta Culture and Tourism's listing of historic resources.

9. ATCO stated that consultation has been successfully completed for both the proposed compressor removal and pipeline abandonments in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines* requirements with no concerns received from affected landowners and occupants. Removal operations are planned to commence during the fall of 2016.

10. ATCO has provided information respecting the need, nature and extent of the project. The Commission accepts ATCO's assessment that the facility is no longer required to maintain pipeline operating pressures on the Jasper Transmission Pipeline. Since the project involves limited ground disturbance and is within the original lease, the 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.

11. 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.

12. 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