



## **ATCO Gas and Pipelines Ltd. (South)**

**New Edmonton Gate 4 Lateral Construction**

**City of Edmonton**

**February 1, 2013**

**The Alberta Utilities Commission**

Decision 2013-028: ATCO Gas and Pipelines Ltd. (South)

New Edmonton Gate 4 Lateral Construction

City of Edmonton

Application No. 1608894

Proceeding ID No. 2179

February 1, 2013

Published by

The Alberta Utilities Commission

Fifth Avenue Place, Fourth Floor, 425 First Street S.W.

Calgary, Alberta

T2P 3L8

Telephone: 403-592-8845

Fax: 403-592-4406

Website: [www.auc.ab.ca](http://www.auc.ab.ca)

## 1 Introduction

1. ATCO Gas and Pipelines Ltd. (South) (ATCO) filed Application No. 1608894 with the Alberta Utilities Commission (AUC or the Commission) on October 11, 2012, seeking approval for an amendment to Permit and Licence No. 1670 pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act* for the following:

- Addition of a proposed pipeline (Line 28 – 0.17 kilometres of 273.1 millimetre outside-diameter pipeline).
- Addition of a new meter station.

(the project)

2. ATCO proposed to install a new 273.1 millimetre pipeline lateral from the existing 508 millimetre northwest Edmonton connector pipeline (Permit and Licence No.1670, Line 27).

3. The pipeline lateral would provide high pressure natural gas service to a new Edmonton Gate 4 station, which consists of a meter station owned by ATCO Pipelines and an adjacent pressure regulating station owned by ATCO Gas.

4. ATCO stated that the proposed 170 metres of 273.1 millimetre pipeline would originate at a tie-in point on ATCO's existing 508 millimetre northwest Edmonton connector pipeline at 03-08-53-25-W4M and would terminate at a new meter station, which in turn would tie into a new regulating station at 03-08-53-25-W4M. The proposed pipeline lateral would be constructed within the Edmonton transportation and utility corridor boundaries.

5. Due to the minor nature of the application, and its location in the transportation and utility corridor, the Commission did not issue a notice of application or hold a hearing because the Commission was satisfied that its decision would not directly and adversely affect the rights of a person pursuant to Section 9 of the *Alberta Utilities Commission Act*.

## 2 Background

6. A permit and licence for the 508 millimetre northwest Edmonton connector pipeline was approved by the Commission in Decision [2011-409](#).<sup>1</sup> The 508 millimetre northwest Edmonton connector pipeline was installed, and is in operation, as part of a program termed the Urban Pipeline Replacement (UPR) that was initiated by ATCO to replace existing high pressure gas

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<sup>1</sup> Decision 2011-409: ATCO Gas and Pipelines Ltd. (South) New Construction and Hydrostatic Test with Water-Methanol Mix – Edmonton Transportation Utility Corridor, Application No. 16070680, Proceeding ID No. 1452, October 14, 2011.

utility pipelines in the Calgary and Edmonton urban areas with new pipelines in the respective transportation and utility corridors. The Commission is currently evaluating the overall UPR program in Proceeding ID No. 1995. In relation to Proceeding ID No. 1995, Decision 2012-233<sup>2</sup> indicated:

The Commission, like ATCO Pipelines and the UCA, recognizes that the Northwest Edmonton Connector project has been constructed and is currently operating on a standalone basis. The Commission has no intention of reviewing the need for this project or the license issued for this project in this proceeding. However, what the Commission intends to achieve in this proceeding is a better understanding of how the Northwest Edmonton Connector will integrate with the other constituent UPI projects proposed in the Edmonton TUC if those projects are ultimately approved. Further, to the extent that the Northwest Edmonton Connector pipeline was intended to connect to other projects in the Edmonton transportation and utilities corridor, the Commission also intends to get a broader understanding of the ramifications to the Northwest Edmonton Connector pipeline and the existing Edmonton system if the remaining UPI projects proposed for Edmonton do not proceed.

7. ATCO stated that the new Edmonton Gate 4 station and associated lateral would supply both new growth and existing customers.<sup>3</sup> The primary purpose of the new Edmonton Gate 4 station is to supply natural gas to customers which are currently served by the existing Edmonton Gate 4 and Gate 82 stations. The new growth that would be supplied by the new Edmonton Gate 4 could be supplied by the existing facilities for the time being, but in doing so, ATCO stated that it would be prevented from removing pipelines in high consequence areas from high pressure service, which was a reason for installing the 508 millimetre northwest Edmonton connector pipeline. ATCO considered the proposed 273.1 millimetre lateral to be part of the 508 millimetre northwest Edmonton connector pipeline project.

8. ATCO provided the approximate breakdown of capital cost of \$28 million<sup>4</sup> which was proposed for the northwest Edmonton connector pipeline project as follows:

Component Name		Forecasted Costs	Commissioned / In Progress
Northwest Edmonton Connector mainline		\$25,000,000	Commissioned
Northwest Edmonton Connector facilities	Valve Assemblies (x3)	\$1,900,000	Commissioned
	Gate 4 Station Tie-In	\$500,000	In Progress
Metering Station Installation for Gate 4 Relocation		\$600,000	In Progress

<sup>2</sup> Decision 2012-233: ATCO Pipelines – Urban Pipeline Initiative – Application Scope, Requirements and Process, Application No. 1608617, Proceeding ID No. 1995, September 4, 2012.

<sup>3</sup> Exhibit No. 0014.00.ATCO-2179.Response to IR.AUC-ATCO-2(d).

<sup>4</sup> Exhibit No. 0014.00.ATCO-2179.Response to IR.AUC-ATCO-4(c).

9. ATCO stated that the northwest Edmonton connector pipeline was approved in Decision 2011-409 and has been constructed and is currently in operation. ATCO also stated that it is able to install the proposed lateral as well as the new gate station facilities within the budgeted and approved capital expenditures.<sup>5</sup> The estimated cost of the lateral and meter station is \$1,100,000.<sup>6</sup>

10. ATCO stated that the ATCO Gas gate station installation is almost complete<sup>7</sup> and it would be connecting the new Edmonton Gate 4 station to the existing distribution system using a distribution pressure feedermain which was installed in 111 Avenue from the transportation and utility corridor to 170 Street. The expenditures associated with this feedermain amounted to approximately \$5,800,000.<sup>8</sup>

11. ATCO held consultation meetings with Alberta Infrastructure and Alberta Transportation to arrive at the proposed pipeline alignment. ATCO has received approval under Ministerial Consent No. MCE 12-0026.

12. ATCO's noise assessment indicates that the predicted cumulative sound levels would be below the permissible sound levels of AUC Rule 012: *Noise Control* (AUC Rule 012).

13. According to ATCO, this project does not require a historical resource impact assessment because it consists of a Class II pipeline and the proposed work area is not referenced in the latest edition of Alberta Culture's *Listing of Historic Resources*.

14. ATCO added that there are no watercourse crossings that would be affected by the construction activities.

15. ATCO advised that consultation with landowners was completed in accordance with AUC Rule 020: *Rules Respecting Gas Utility Pipelines* (AUC Rule 020). The entire route of this pipeline is within the TUC, and there are no tenants, occupants or parties affected under this application. The industry notifications for this project were completed in June of 2012. There are no unresolved issues associated with the industry notifications for this project.

16. In its submission, ATCO added that the requirements of the consultation and notification program were met and that no outstanding objections or concerns remain in regard to the application.

### 3 Findings

17. The Commission has considered ATCO's submission that a participant involvement program has been conducted and that there are no outstanding public or industry objections or concerns.

18. The Commission finds that the noise assessment and other information in ATCO's application fulfills the requirements of AUC Rule 012.

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<sup>5</sup> Exhibit No. 0014.00.ATCO-2179.Response to IR.AUC-ATCO-2(a).

<sup>6</sup> Exhibit No. 0012.00.ATCO-2179.Response to IR.AUC-ATCO-1(g).

<sup>7</sup> Exhibit No. 0012.00.ATCO-2179.Response to IR.AUC-ATCO-1(h).

<sup>8</sup> Exhibit No. 0014.00.ATCO-2179.Response to IR.AUC-ATCO-4(a).

19. ATCO Pipelines and ATCO Gas have completed the installation, or are nearing completion, of significant gas utility pipelines and gas distribution facilities in association with the 508 millimetre northwest Edmonton connector pipeline. Capital expenditures for these completed and nearly completed projects are estimated to exceed \$30 million. The Commission understands that, without completion of the proposed ATCO Pipelines 273.1 millimetre lateral to connect the metering and regulating facilities, this new infrastructure will be underutilized.

20. In Decision 2012-170,<sup>9</sup> the Commission found that it was necessary to evaluate the whole scope of the UPR rather than individually assess the merits of each of the 12 projects that constitute the project. However, in Decision 2012-233, the Commission recognized that the northwest Edmonton connector project had been constructed and stated that it had no intention of reviewing the need for the project or the licence issued for it. In the Commission's view, this project is minor in nature and incidental to the approved northwest Edmonton connector project. Accordingly, the Commission finds that it would not be in the public interest to hold the approval for the connecting lateral in abeyance pending the outcome of the UPR proceeding. In making this decision, the Commission had regard to the relatively minor cost associated with the connection to the regulating and metering station; the fact that the project will take place entirely within the TUC; and the fact that the Minister of Infrastructure and Transportation has approved the project.

21. The Commission has reviewed the application and has determined that it meets the requirements as stipulated in AUC Rule 020.

22. 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*.

#### **4 Decision**

23. Pursuant to Section 11 of the *Pipeline Act*, Section 4.1 of the *Gas Utilities Act* and the conditions set forth in Ministerial Consent No. MCE 12 – 0026, Dated October 9, 2012, the Commission approves the amendment to Permit and Licence No. 1670 and grants ATCO the amended permit and licence as set out in Appendix 1 – Gas Utility Pipeline –New Construction – Permit and Licence No. 1670 – February 1, 2013 (Appendix 1 will be distributed separately).

Dated on February 1, 2013.

#### **The Alberta Utilities Commission**

*(original signed by)*

Anne Michaud  
Commission Member

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<sup>9</sup> Decision 2012-170: ATCO Pipelines – 2012 Interim Revenue Requirement, Application No. 1608058, Proceeding ID No. 1666, June 20, 2012.