



AUC

Alberta Utilities Commission

AltaGas Utilities Inc.

**Addition of New Pipeline for Replacement of
Corroded Pipeline in Drumheller Area**

Township 29, Range 20, west of the Fourth Meridian

July 3, 2013

The Alberta Utilities Commission

Decision 2013-201: AltaGas Utilities Inc.

Addition of New Pipeline for Replacement of Corroded Pipeline in Drumheller Area

Township 29, Range 20, west of the Fourth Meridian

Application No. 1609568

Proceeding ID No. 2587

July 3, 2013

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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

1 Introduction and background

1. AltaGas Utilities Inc. (AltaGas) filed an application with the Alberta Utilities Commission (AUC or the Commission) seeking approval for an addition to Permit and Licence No. 613 pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act* for the construction of a new pipeline (Line 32 – 1.1 kilometres (km) of 114.3 millimetre (mm) outside-diameter pipe).
2. This application was registered as Application No. 1609568 on May 3, 2013.
3. On May 16, 2013, the AUC issued information requests (IRs) to AltaGas regarding the application. Responses to the IRs were received on May 23, 2013.
4. AltaGas stated that it applied for approval to install approximately 1.1 km of 114.3-mm outside-diameter pipeline to replace a section of shallow pipeline, Line 29 of Permit and Licence No. 613 installed in 1954, that has severe coating deficiencies and significant evidence of corrosion.
5. Although there have been no recorded leaks for Line 29, AltaGas submitted an inspection survey report¹ indicating shallow cover, exposed pipe, pipeline coating anomalies and areas of insufficient cathodic protection.
6. The report also indicated that a section of approximately 40 metres of pipeline beneath First Street N.W. in Drumheller was measured to have a depth of cover less than the required 1.20 metres below a travelled road surface, as required by CSA Z662-11 *Oil and Gas Pipeline Systems*. Three isolated locations further downstream were measured to be less than 0.60 metres, required by the CSA Z662-11 for general locations, and two locations were identified where pipe coverage was non-existent due to apparent precipitation run-off patterns.
7. AltaGas stated that it proposes to tie-into Line 28 of Permit and Licence No. 613 at 05-02-029-20-W4. From that location, AltaGas would install the 114.3-mm steel pipe heading in a north-easterly direction for approximately 0.5 km through rural land, and then for 0.6 km through the town of Drumheller ending at 15-02-029-20-W4M, at its existing town border regulator station, DR010.

¹ EXH.0013.AUI-2587-Indirect Inspection Survey Report. According to the indirect inspection survey report filed by AltaGas, 54 of 397 inspection points, with useable data, failed to attain the minimum criterion of -850 (millivolts) mV. Where AC current inspection information was available and current attenuation values could be calculated, the entire portion of the survey revealed attenuation values greater than 6 milli-Belles per metre (mB/m). Attenuation values greater than 6 mB/m may be indicative of severe coating faults in pipelines.

8. AltaGas stated that an application for abandoning Line 29 of Permit and Licence No.613 would be submitted after Line 32 has been installed.

9. AltaGas described that the environmental setting of the proposed project is within the town of Drumheller, within the existing municipal roads or laneways, and in the rural area adjacent to the town limits on the south side of an existing AltaGas right-of-way. A total of 1.10 km of pipeline is proposed; 0.6 km in town and 0.5 km in the rural area. All pipe in the town would be installed using directional drilling techniques. In the rural area, 205 metres of pipe would be installed using open trenching techniques. AltaGas stated that the remaining 395 metres, in the rural area, would be installed using directional drilling techniques.

10. AltaGas stated that it is proposing to directionally drill most of the rural area to minimize the impact to the environment and maintain the pipeline's depth of cover. From past experiences in this rural area, any disturbance to the ground surface creates an area susceptible to erosion from spring run-off waters. Directionally drilling through these areas ensures the surface will not be disturbed, so the chances of spring runoff waters adversely affecting the pipeline by washing-out the ground cover will be minimized. The open trenched portion in the rural area is not in an area as vulnerable to washing-out from spring run-off waters.

11. AltaGas stated that the excavations would follow industry standard soil management practices to mitigate impacts on the environment. For the open trench portion, topsoil over the trench line would be stripped. All soils would be separated into topsoil and subsoil, and then stored within the proposed right-of-way. Topsoil would be stored on one side of the trench while the subsoil would be stored on the opposite side. During the backfill phase, the stored topsoil and subsoil would be returned to their original layers, compacted and seeded/sodded if necessary. In order to ensure that the proposed mitigation measures are incorporated, AltaGas would have on-site representation and inspection.

12. AltaGas stated that on May 6, 2013, an application was filed for *Historical Resources Act* clearance and it is awaiting the results. AltaGas does not anticipate any issues in obtaining the *Historical Resources Act* clearance as the pipeline would be located within existing streets and laneways or the existing pipeline right-of-way.

13. In its submission, AltaGas stated that the requirements of the consultation and notification program were met and that no outstanding objections or concerns remain regarding the application.

2 Findings

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

15. Pursuant to Section 9 of the *Alberta Utilities Commission Act* the Commission finds that the project would not directly and adversely affect the rights of landowners affected by the proposed project. Therefore, a notice of application was not issued and a hearing was not required.

16. The project is intended to meet the need for the pipeline replacement due to issues of corrosion and cathodic protection deficiencies, and to resolve the issue of exposed and shallow

pipeline along Line 29. The Commission finds that the application appropriately addresses this need.

17. The Commission finds that environmental issues have been sufficiently identified in the application. The Commission is satisfied with the commitments made in the application to mitigate and monitor potential environmental impacts. The Commission expects construction to commence after a *Historical Resources Act* clearance has been obtained and that AltaGas will abide by any conditions set forth in the *Historical Resources Act* clearance.

18. The Commission has reviewed the application and has determined that it meets the requirements as stipulated in AUC Rule 020: *Rules Respecting Gas Utility Pipelines*.

19. Based on the foregoing, the Commission considers the project to be in public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*.

3 Decision

20. Pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, the Commission approves the amendment to Permit and Licence No. 613 and grants AltaGas the amended permit and licence as set out in Appendix 1 – Gas Utility Pipeline – New Construction for Pipeline Replacement – Permit and Licence No. 613 – July 3, 2013 (Appendix 1 will be distributed separately).

Dated on July 3, 2013.



Tudor Beattie, QC
Commission Member