



ATCO Gas and Pipelines Ltd. (South)

**Construction of the Beddington Extension Pipeline
in the City of Calgary**

December 20, 2016

Alberta Utilities Commission

Decision 22007-D01-2016

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in the City of Calgary

Proceeding 22007

Application 22007-A001

December 20, 2016

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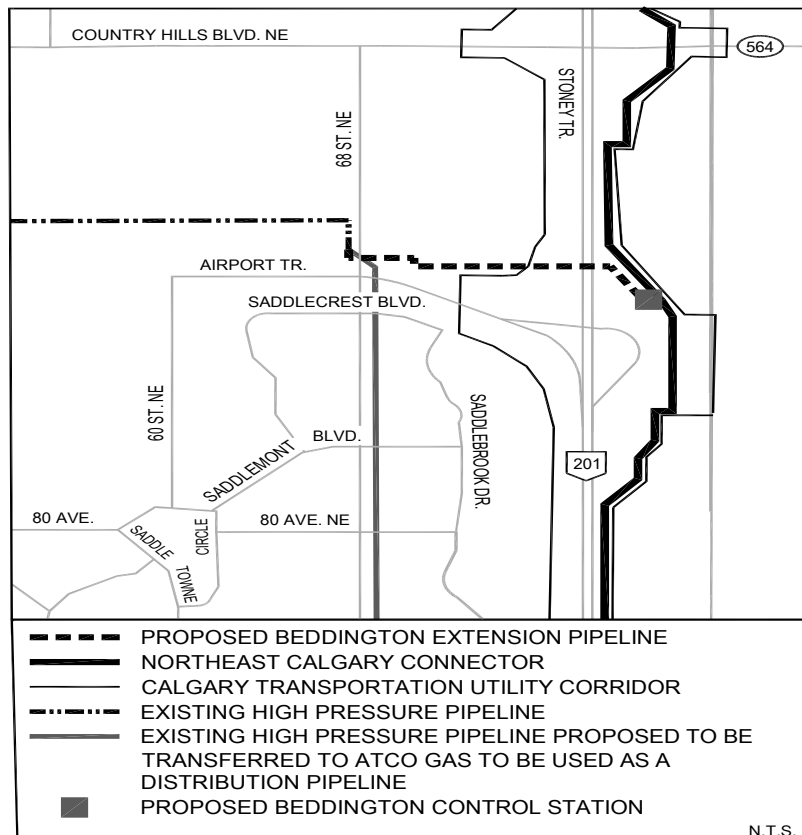
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1 Decision summary

1. In this decision, the Alberta Utilities Commission must decide whether to approve an application by ATCO Gas and Pipelines Ltd. (South) (ATCO) to construct the Beddington Extension 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 having regard to the social, economic, and other effects of the project, including its effect on the environment.

2 Introduction

2. On September 21, 2016, ATCO filed an application with the Commission to construct the 1.46-kilometre long 406.4-millimetre Beddington Extension Pipeline, located within the Calgary transportation utility corridor (TUC), a city of Calgary road allowance and private land between Stoney Trail and 68 Street N.E., north of Airport Trail, as shown on the map below. This pipeline is part of ATCO's 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 its 2015-2016 general rate application² in which it updated the forecast cost of the Beddington Extension 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

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.

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

4 Commission process

9. A notice of application was issued by the Commission on October 11, 2016, indicating a deadline of November 3, 2016 for filing submissions to express objections to, concerns about, or support for the application. The Commission extended the deadline for submissions until December 7, 2016, for parties who did not receive the original notice.

10. A statement of intent to participate was filed by Annie Thai on November 7, 2016. Ms. Thai withdrew her objections to the application on November 22, 2016.

5 The application

5.1 Introduction

11. In the present application, ATCO is requesting approval of an amendment to Licence 5895 pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act* for the following:

- splitting line 145 into lines 145 and 200
- removal of line 200
- line 145 is to remain in operation
- addition of a newly constructed pipeline (line 201 – 1.46 kilometres of 406.4-millimetre outside-diameter pipeline)
- other facility location administrative amendments

12. ATCO proposed to construct a new 406.4-millimetre high-pressure sweet natural gas pipeline into 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 through the proposed Beddington Control Station in the northeast quarter of Section 13, Township 25, Range 29, west of the Fourth Meridian to the existing Petrogas Transmission Pipeline in the southeast quarter of Section 23, Township 25, Range 29, west of the Fourth Meridian. ATCO also proposed to split the existing line 145 into lines 145 and 200 and remove the existing line 200 under Licence 5895 to accommodate the installation of the Beddington Extension Pipeline. Line 199 is to be converted to low pressure, transferred to ATCO Gas, and then deleted from the licence under a subsequent application.

5.2 Consultation

13. 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.

⁴ Decision 2014-010, paragraph 249.

14. ATCO stated that the 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 Infrastructure⁵ 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.

15. 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.

16. ATCO stated that it has not received objections to the pipeline from any of the tenants, occupants and parties that may be 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.

5.3 Environmental assessment

17. ATCO retained CH2M HILL Energy Canada Ltd. to prepare a pre-construction site assessment and environmental protection plan⁶ for the Beddington Extension Pipeline. ATCO 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.

18. ATCO stated that the existing pipeline would be tested for liquids prior to removal and that any liquids found would be disposed of properly.

19. ATCO explained that the project does not traverse any land with a designated historical resource value and does not require *Historical Resources Act* clearance.

20. 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 22007-X0023, MCC Letter of Non-Objection.

⁶ Exhibit 22007-X0014, Beddington Extension Pipeline – Environmental Protection Plan and Pre-Construction Site Assessment.

21. ATCO engaged Acoustical Consultants Inc. to complete a noise impact assessment for the proposed Beddington Extension Control Station.⁷ The assessment showed that noise mitigation would not be required at the site because the noise level was assessed to be in compliance with Rule 012: *Noise Control*.

6 Findings

22. 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.

23. 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, economic, and other effects of the project, including its effects on the environment.

24. The Commission has reviewed the application and has determined that it meets 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.

25. 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.

26. The Commission accepts that the project will comply with the permissible sound levels prescribed in Rule 012 and that no additional mitigation is required at the control station.

27. 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.

28. 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. ATCO must not begin construction until ministerial consent allowing it to construct and operate the pipeline within the Calgary TUC has been issued, and ATCO must abide by any conditions set forth in the ministerial consent issued by Alberta Infrastructure.

29. 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*.

⁷ Exhibit 22007-X0013, Noise Impact Assessment.

7 **Decision**

30. Pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, the Commission approves the amendment to Licence 5895, 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 licence.

Dated on December 20, 2016.

Alberta Utilities Commission

(original signed by)

Henry van Egteren
Commission Member