



ATCO Gas and Pipelines Ltd. (South)

New Construction

**Townships 46, 47, 48 and 49, Ranges 17, 18, 19, 20, 21 and 22,
West of the Fourth Meridian**

April 1, 2011

The Alberta Utilities Commission

Decision 2011-129: ATCO Gas and Pipelines Ltd. (South)

New Construction

Application No. 1607026

Proceeding ID No. 1088

April 1, 2011

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1 Introduction

1. ATCO Gas and Pipelines Ltd. (South) (ATCO) filed an application with the Alberta Utilities Commission (AUC or the Commission) seeking approval for an amendment to Permit and Licence No. 2526 pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act* for the following:

- addition of newly constructed pipeline (Lines 126 through 130 – 64.26 kilometres (km) of 219.1 millimetre (mm) OD Pipe)

(project).

2. The application was registered on February 14, 2011, as Application No. 1607026.

3. ATCO stated that this project is required to allow for the replacement Phase 3 of ATCO's existing Southern Extension Pipeline from east of Gwynne to Poe. This existing Southern Extension Pipeline was constructed in 1945/1946 and is nearing the end of its useful life. Due to integrity concerns a full scale replacement of the pipeline was commenced in 2008 and is being completed in various stages. The integrity concerns on the existing pipeline include an accumulated leak history that is higher than industry average, insufficient depth of cover in certain locations relative to current standards, the presence of mechanical joints and threaded fittings, deteriorating quality girth welds, and deteriorated external coatings which have resulted in external corrosion.

4. The Commission asked ATCO to identify where the need to replace Phase 3 of the Southern Replacement Project was approved. In response to the information request, ATCO stated that to clarify, the ATCO Pipelines General Rate Application (GRA) No. 1527976 was referenced as a location to find background information for the Southern Extension Replacement Project in general. Phase 1 and Phase 2 were covered in detail in that GRA, but general project information for the entire replacement was also provided. Phase 3 of the Southern Extension Replacement Project was disclosed to customer groups at the November 2009 customer meeting as required by the 2010-2012 Negotiated Settlement. Phase 3 of the project was provided as an attachment to ATCO Pipelines' response to AUC-AP-1(a) in Proceeding ID No. 706 (ATCO Pipelines 2010 Final Revenue Requirements, Final Rates Filing), and therefore approved as a part of that settlement.

5. ATCO stated that the Traditional Land Use Consultation (TLUC) meetings with the four First Nations in the Hobbema area were held in the summer of 2010. Alberta Environment approved the adequacy of the Phase 3 TLUC.

6. ATCO stated that as a part of the Conservation and Reclamation Plan application process ATCO ran public notification advertisements describing the proposed pipeline in the Edmonton Journal and the Westaskiwin Times on Wednesday September 29, 2010, and in the Camrose Canadian on Thursday, September 30, 2010. In the notices, ATCO requested that statements of concern be submitted within 30 days of the ads being placed. No statements of concern were received.
7. ATCO stated that they engaged the services of TERA Environmental Consultants to prepare the Conservation and Reclamation Report (C&R) for this project. The C&R was submitted to Alberta Environment for approval in September of 2010. Approval for the C&R (Approval No. 276985-00-00) was received on February 7, 2011.
8. ATCO stated that on December 9, 2010, they completed the required notifications to Alberta Environment regarding all watercourse crossings. ATCO also completed the required notification to Fisheries and Oceans Canada on December 9, 2010.
9. ATCO stated that TERA Environmental Consultants completed a Historical Resource Impact Assessment (HRIA) for the proposed pipeline. The HRIA was submitted to Alberta Culture and Community Spirit Historic Resource Management for approval. *Historical Resources Act* clearance was granted in September 2010. ATCO will have environmental inspectors on site for the duration of construction activities to ensure compliance with all approvals.
10. ATCO stated that one new regulating station would be installed at the north end of the proposed Southern Extension Replacement pipeline where it ties into ATCO Pipelines existing Viking system. The proposed station is over 300 metres (m) from the closest residence and would be installed adjacent to CN Railway tracks just north of Highway 14 in NE 34-49-17-W4M, where the surface lease for the station has been acquired. Due to the station's proximity to the railway and highway and its distance from the nearest residence ATCO stated that it did not anticipate noise issues, but to ensure this ATCO would complete a noise study for the proposed station. However, the Commission asked ATCO to provide the noise assessment for the proposed regulating station. In response to this information request, ATCO submitted the noise impact assessment for the proposed regulation station.
11. The Commission asked ATCO to confirm whether CN Railway (CN) has been informed about the proposed installation of the regulating station adjacent to railway tracks. In response to the information request, ATCO stated that the proposed station would not be adjacent to the railway tracks. The south boundary of the proposed station site is separated from the north boundary of the railway right of way by a distance of 13.72 m. ATCO notified CN of the proposed installation of the regulating station. The Commission asked ATCO to provide documentation indicating whether CN had any objections or safety concerns regarding the station's proximity to the railway track and if so how were they addressed. In response to information request, ATCO submitted the letter from CN, dated February 10, 2011, which stated that CN had no objections to the proposed meter station and access road within 100 m of CN right-of-way providing that ATCO sign and return an Indemnification form to CN. ATCO submitted a copy of the signed Indemnification form.

12. The Commission asked ATCO if any combustion equipment was to be installed on the proposed regulating station site. In response to information request, ATCO stated that there would be no combustion equipment installed on the proposed regulating station site.

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

2 Findings

14. The Commission notes that Phase 3 of the Southern Extension Replacement Project was approved as a part of the 2010-2012 Negotiated Settlement.

15. The Commission finds that the noise impact assessment submitted by ATCO fulfills the requirements of AUC Rule 012: *Noise Control*.

16. The Commission notes that CN has provided their non-objection to the proposed meter station and access road.

17. The Commission also notes ATCO's statement that the Conservation and Reclamation Report for this project was submitted to Alberta Environment for Approval in September of 2010. Approval for the C&R (Approval No. 276985-00-00) was received on February 7, 2010.

18. The Commission notes ATCO's submission that the requirements of the consultation and notification program were met and that no outstanding objections or concerns remain related to this application.

19. 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*.

20. The Commission finds that the new construction is necessary to accommodate the replacement of Phase 3 of the Southern Extension Pipeline which is nearing the end of its useful life.

21. 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*.

3 **Decision**

22. 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. 2526 for the project and grants ATCO the amended permit and licence as set out in Appendix 1 –New Construction– Permit and Licence No. 2526 – April 1, 2011 (Appendix 1 will be distributed separately).

Dated on April 1, 2011.

The Alberta Utilities Commission

(original signed by)

Kay Holgate
Commission Member