



ATCO Gas and Pipelines Ltd. (South)

New Construction and Hydrostatic Test with Water-Methanol Mix

Edmonton Transportation Utility Corridor

October 14, 2011

The Alberta Utilities Commission

Decision 2011-409: ATCO Gas and Pipelines Ltd. (South)
New Construction and Hydrostatic Test with Water-Methanol Mix
Edmonton Transportation Utility Corridor
Application No. 1607680
Proceeding ID No. 1452

October 14, 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) on September 20, 2011, seeking approval for an amendment to Permit and Licence No. 1670 pursuant to Section 11 of the *Pipeline Act*, R.S.A. 2000, c. P-15 and Section 4.1 of the *Gas Utilities Act*, R.S.A. 2000, c. G-5 for the following:

- Addition of newly constructed pipeline (Line 27 – 16.22 kilometres (km) of 508.0 millimetre (mm) outside-diameter (OD) pipe).
- Hydrostatic test newly constructed Line 27 with a 60/40 water-methanol mix, across flowing water and in sections exceeding a volume of 500 cubic metres, in accordance with Section 35 of the *Pipeline Regulation*, Alta. Reg. 91/2005.

2. The application was registered on September 20, 2011, as Application No. 1607680.

3. ATCO proposed to construct a 16.22 km long 508 mm OD high pressure pipeline from SW 05-53-25-W4M to SE 1-54-25-W4M to connect to an existing pipeline within the Edmonton Transportation Utility Corridor (TUC) boundaries (the project).

4. ATCO stated that they plan to construct a high pressure pipeline network in the city of Edmonton (the city) TUC in order to ensure continued safe reliable service to existing customers. In conjunction with this initiative to construct a high pressure pipeline ring in the TUC, ATCO is reconfiguring the existing high pressure pipeline systems in urban municipalities to address aging transmission pipelines within highly developed urban areas. The reliance on a secure supply for customers within the urban service territory would be shifted to the new lines located within the TUC and away from the older high pressure pipelines located within developed residential and commercial areas of the city.

5. ATCO stated that the existing pipelines would require replacement or looping in the future to meet the city's long term growth. The size of the new Northwest Connector pipeline constructed in the TUC takes into consideration the long term growth forecasts for the city (20 plus years). Currently there is an opportunity to complete the necessary work while the TUC is being developed and before urban expansion extends outside the TUC to a greater extent.

6. ATCO stated that the services of Millennium EMS Solutions Ltd. were engaged to prepare the environment protection plan (EPP) for the project. The project is entirely located within the corporate limits of the city and within the Northwest segment of the designated TUC. The project is exempt from the *Environmental Protection and Enhancement Act*, R.S.A. c. E-12 approval requirement. ATCO has completed an EPP.¹

7. The project involves the crossing of two watercourses, Kirk Creek in LSD 13-17-53-25-W4M by open cut and an unnamed drainage canal in LSD 5-08-53-25-W4M by bore. In addition, the project involves testing pipeline sections which will exceed a volume of 500 cubic metres. Construction and hydrostatic testing of these crossings and sections exceeding 500 cubic metres would be completed during cold ambient temperatures and ATCO proposes to use a 60/40 water-methanol mix for the hydrostatic test.

8. ATCO submitted descriptions of the proposed test medium, the proposed containment methods, including control points and available equipment in the event of a spill, and the time expected to be required to initiate containment procedures as required by Section 35(2) of the *Pipeline Regulation*.² ATCO also stated that an environmental inspector would be on site for the duration of the hydrostatic test.

9. In its submission, ATCO stated that the requirements of the consultation and notification program were met and that no outstanding objections or concerns remain in regards to the application. In support of this submission, ATCO provided signed non-objection forms from all occupants of the right-of-way within the TUC, a line list of landowners/occupants within 200 metres of the pipeline with the dates that they sent the notification, a sample notification package, a list of residents within 200 metres of the pipeline for which notification packages were hand delivered, and copies of a public notice of application in four newspapers.³

2 Findings

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

11. 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*.

12. The Commission has reviewed the application regarding the proposed hydrotest with a 60/40 water-methanol mix and has determined that ATCO's descriptions of the proposed test medium, the proposed containment methods, including control points and available equipment in the event of a spill, and the time expected to be required to initiate containment procedures meets the requirements of Section 35(2) of the *Pipeline Regulation*. Since a hydrostatic test with a water-methanol mix is necessary to prevent freezing of the medium, the Commission considers the application to be in the public interest.

¹ Exhibit 15.00.ATCO-1452.

² Exhibit 26.00.ATCO-1452.

³ Edmonton Sun – July 18, 2011, Edmonton Examiner – July 20, 2011, St. Albert Gazette – July 16, 2011 and the Edmonton Journal – July 18, 2011.

13. As signed non-objection forms from all occupants of the right-of-way within the TUC and documentation of notification were filed with the application and, according to ATCO, no objections in regards to the application were received, a notice of application was not issued and, therefore, a hearing was not required as the Commission considered that its decision would not directly and adversely affect the rights of a person pursuant to Section 9 of the *Alberta Utilities Commission Act*, S.A. 2007, c. A-37.2.

14. The Commission finds that the project is necessary as part of a larger plan to provide continued safe reliable service to existing customers.

15. 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

16. Pursuant to Section 11 of the *Pipeline Act*, Section 4.1 of the *Gas Utilities Act* and the conditions set forth in Ministerial Consent file MCE11-0009B dated October 6, 2011, 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 – October 14, 2011 (Appendix 1 will be distributed separately).

17. The Commission approves the use of a 60/40 water-methanol mix for the hydrostatic test of the 508.0 mm OD pipeline across flowing water and in test sections exceeding a volume of 500 cubic metres in accordance with Section 35 of the *Pipeline Regulation*.

Dated on October 14, 2011.

The Alberta Utilities Commission

(original signed by)

Tudor Beattie, QC
Commission Member