



ATCO Gas and Pipelines Ltd. (South)

New Construction

Replacement of ATCO Pipelines'
Existing Southern Extension Pipeline
From North of Lacombe to East of Gwynne

April 15, 2010

ALBERTA UTILITIES COMMISSION

Decision 2010-170: ATCO Gas and Pipelines Ltd. (South)

Addition to Facilitate the Replacement of ATCO Pipelines' Southern Extension Pipeline
From North of Lacombe to East of Gwynne

Application No. 16065898

Proceeding ID. 498

April 15, 2010

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**ATCO GAS AND PIPELINES LTD. (SOUTH)
NEW CONSTRUCTION
REPLACEMENT OF ATCO PIPELINES'
SOUTHERN EXTENSION PIPELINE
FROM NORTH OF LACOMBE TO EAST OF GWYNNE**

**Decision 2010-170
Application No. 1605898
Proceeding ID. 498**

1 INTRODUCTION

1. ATCO Gas and Pipelines Ltd. (South) (ATCO) filed an application with the Alberta Utilities Commission (AUC or Commission) seeking approval for an addition to Permit/Licence 2526 for the following:

- Addition of eight segments to replace a portion of an existing pipeline (Lines 94 to 101 – 71.04 km of 219.1mm OD pipe);

(Project).

2 BACKGROUND

2. The application was registered on February 12, 2010 as Application 1605898 (Application).

3. ATCO stated that the addition was necessary to allow for the replacement of the portion of the existing Southern Extension Pipeline from north of Lacombe to east of Gwynne due to integrity concerns including insufficient depth of cover and deteriorated external coating resulting in external corrosion. A replacement program for the entire pipeline from north of Red Deer to west of Poe commenced in 2008 will be completed in three stages. This Application relates to stage two.

4. ATCO indicating that a public consultation program was completed resulting in no objections from the affected landowners and/or occupants including the four First Nations affected by the project. Letters of support from each of the four affected First Nations were filed with the Application.

5. In addition, ATCO confirmed that based on landowner requests and/or the results from an environmental, geotechnical and hydrological assessment conducted for the project, certain pipeline route revisions were required from the preliminary proposal. ATCO confirmed that it did not receive objections from the landowners to the new alignment.

6. ATCO acknowledged that an asbestos felt material was used for the external coating of the existing pipeline. Therefore, to determine the abandonment protocol, samples of the pipe coating will be taken and tested in accordance with the ATCO's "SP1038 Abandoned Pipe Waste Management" procedure. ATCO indicated that procedures were developed to meet applicable requirements both under the federal legislation and under Alberta legislation in accordance with the practices and principles set out in the *Alberta Asbestos Abatement Manual*.

7. ATCO stated that routine for activities such as repairs where small quantities of coating waste are generated, a low risk abatement procedure is used as provided in ATCO's "WI368 Handling and Disposal of Pipeline Coating Containing Asbestos". ATCO confirmed that for operations involving larger quantities of asbestos-containing materials a qualified asbestos abatement contractor would be employed. Transportation of asbestos-containing materials is done in accordance with Alberta Transportation's *Transportation of Asbestos as a Waste* and ATCO's "WI416 Transportation of Hazardous Waste Pipe".

8. ATCO stated that the decision to abandon in-place or remove the existing pipeline will be based on the site specific land use and risk assessment at various locations. ATCO explained that risk is composed of the pipeline physical conditions (depth, size, location, joint type) as related to the consequences or impact to social and environmental conditions such as land use, biophysical features and crossings. It was ATCO's view that, depending on the outcome of the site specific assessment, abandoned pipe containing asbestos material coating can be safely left in place and risk managed.

9. ATCO advised that its risk management program includes an obligation under the *Pipeline Act* and *Pipeline Regulations* and that abandonment of a pipeline does not relieve ATCO from the responsibility for further maintenance, removal or remediation to any part of the pipeline if issues of environment result from the abandoned pipe being left in place. ATCO filed its "WI407 Post-Abandonment Responsibilities and Record Keeping" detailing its post abandonment responsibilities.

10. ATCO noted that the existing pipeline will remain in service for approximately one year after construction of the proposed replacement to allow for complete conversion of all services to the new line. ATCO stated that it will complete a detailed abandonment and removal plan for the existing pipeline and will comply with all applicable Rules and Regulations.

3 DISCUSSION

11. The Commission notes that a participant involvement program has been conducted by ATCO and that there are no outstanding public or industry objections or concerns. The Commission considers that ATCO's public involvement program was comprehensive and effective, and observes that there are no outstanding public or industry objections or concerns, and that the steps proposed by ATCO to address the waste generated by the Project are appropriate and will mitigate the environmental affects of the Project.

12. The Commission considers that the Application meets the requirements as stipulated in *AUC Rule 020*. Therefore, in accordance with section 17 of the *Alberta Utilities Commission Act*, the Commission finds the Project to be in the public interest.

4 DECISION

13. Pursuant to section 11 of the *Pipeline Act* and section 4.1 of the *Gas Utilities Act*, the Commission approves the addition to Permit/Licence 2526 for the Project, and grants the Applicant the amended Permit/Licence as set out in the Appendix 1 – Gas Utility Pipeline: New Construction – Permit/Licence No. 2526 – April 15, 2010 (Appendix 1 will be distributed separately).

Dated on April 15, 2010.

ALBERTA UTILITIES COMMISSION

(original signed by)

N. Allen Maydonik, Q.C.
Commissioner