

February 7, 2017

Decision 22338-D01-2017

ATCO Gas and Pipelines Ltd. (South)
7210 - 42 Street N.W.
Edmonton, Alberta T6B 3H1

Attention: Curtis Meunier, E.I.T.
Project Engineer, Pipelines Engineering

**Replacement of the Fort Macleod Transmission Pipeline across the Oldman River
Licence 2172
Proceeding 22338
Application 22338-A001**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (South) (ATCO), by Application 22338, registered on January 17, 2017, filed an application with the Alberta Utilities Commission under Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act* for the following:

- splitting of line 31 into lines 31, 61 and 62
- removal of lines 31 and 62
- addition of newly constructed pipeline (line 63 – 0.39 kilometres of 168.3-millimetre outside diameter pipeline)
- length amendment of line 31
- line 61 is to be abandoned in place and registered under a separate application

2. The proposed work is related to the minor split, removal and replacement of existing pipe, previously constructed and operating in accordance with approvals granted in Licence 2172.

3. ATCO stated that the existing Fort Macleod Transmission Pipeline has become exposed within the Oldman River. The proposed project involves replacement of the section of the Fort Macleod Transmission Pipeline that crosses the Oldman River with a newly constructed pipeline, line 63, which would be installed within a new right-of-way east of the existing pipeline. Lines 31 and 62 would be removed and line 61 would be abandoned after the new pipeline is installed. The request for abandonment of line 61 would appear in a subsequent application.

4. ATCO stated that the Fort Macleod Transmission Pipeline became exposed in the Oldman River due to natural erosion. It is a requirement to have a minimum depth of cover of 1.2 metres at a watercourse crossing in accordance with Table 4.9 of CSA Z662-15 *Oil and gas*

pipeline systems. In ATCO's business case,¹ attached as an excerpt from a depth of cover program from its 2017-18 General Rate Application, an alternative considered leaving the existing, exposed, non-compliant segment of the Fort Macleod Transmission Pipeline operating in the Oldman River. That option was dismissed since it is a requirement of CSA Z662-15 for a pipeline to have a minimum depth of cover of 1.2 metres at a water crossing. A second alternative considered was to install engineered cover over the exposed pipeline within the Oldman River to meet the cover requirements of CSA Z662-15. This alternative was dismissed as the Alberta Environment and Parks *Code of Practice for Pipelines and Telecommunication Lines Crossing a Water Body* does not allow armoring the bed and bank of a water body where the pipeline does not currently meet the scour depth requirements. The Commission accepts that the Oldman River pipeline crossing replacement is required to meet the CSA Z662-15 requirements and that the selected alternative is appropriate for the specific circumstances of the Fort Macleod project, which will maintain pipeline safety and security of supply. In that regard, this decision does not make findings with respect to the larger depth of cover program identified in the 2017-18 General Rate Application.

5. ATCO stated the total project cost² is estimated to be \$2,050,000. This includes a capital cost of \$1,595,000 and a removal cost of \$455,000.

6. ATCO stated that approval under the *Historical Resources Act*³ was acquired on June 1, 2016. An environmental protection plan⁴ has been prepared for this project by CH2M Hill Energy Canada Ltd., a qualified aquatic environmental specialist. ATCO confirmed that it would implement all recommendations included in the environmental protection plan. The Oldman River, at the crossing location, is designated as a Class C water course with a restricted activity period of September 1st to August 15th according to the *Alberta Water Act Code of Practice for Water Course Crossing Maps* (2006). Construction of the new crossing is proposed to begin in the first quarter of 2017 with the removal of the exposed pipeline proposed to begin in August/September of 2017, outside of the restricted activity period.

7. ATCO stated CH2M Hill Energy Canada Ltd. has determined, by means of the self-assessment criteria⁵ provided by the Department of Fisheries and Oceans, that the work for this project does not require a request for review. No application is required for Navigable Waters (Transport Canada) under the *Navigable Waters Act* as this crossing is not within a scheduled waterway.

8. ATCO stated the pipeline would be tested for liquids prior to removal activities and any liquids found would be removed and properly disposed of. The topsoil would be stripped and stored and all surface disturbances would be backfilled before the topsoil is returned.

9. ATCO stated that consultation with landowners and occupants for this work has been completed in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines*. Confirmation of

¹ Exhibit 22338-X0004, Depth of Cover Business Case w table.

² Exhibit 22338-X0013, ATCO Lic 2172-Line Split-Removal-Install-Round 1 IR Response.

³ Exhibit 22338-X0006, ATCO Historical Resources ACT Approval 4780-16-0040-001.

⁴ Exhibit 22338-X0007, ATCO Pipelines–Oldman River–PCSA/EPP-Final.

⁵ Exhibit 22338-X0007, ATCO Pipelines–Oldman River–PCSAEPP-Final, page 2-2, section 2.2.1, paragraph 3.

non-objection by directly and adversely affected landowners was obtained by ATCO on September 27, 2016.

10. ATCO stated that Aboriginal consultation was completed with an adequacy assessment⁶ and the consultation has been deemed adequate by the Indigenous Relations Aboriginal Consultation Office.

11. ATCO has provided information respecting the need, nature and extent of the project. Since the project involves limited ground disturbance and is within, or adjacent to, the original right-of-way, the resultant environmental impact of the work has been assessed with no significant impact identified. The landowners and occupants of the affected lands did not object to the project.

12. Based upon the information provided, ATCO has demonstrated that the proposal is of a minor nature, no person other than the landowners and occupants of the land upon which the project takes place will likely be directly affected by the proposal, and no significant adverse environmental impact will be caused by the proposed project.

13. The Commission approves the application. The amended licence is attached.

Alberta Utilities Commission

(original signed by)

Brian Shand, P. Eng.
Director, Gas Facilities
On behalf of the Alberta Utilities Commission

⁶ Exhibit 22338-X0005, ATCO Adequacy Assessment Decision 2016-09-27 15-51-13.