

April 24, 2017

Decision 22545-D01-2017

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

Attention: Sam Rahmatalla, P.Eng.
Project Engineer, Measurement Engineering

**Removal of the Vermilion Receipt Lateral Pipeline
Licence 1910
Proceeding 22545
Application 22545-A001**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (South) (ATCO), by Application 22545-A001 registered on April 6, 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* to remove the Vermilion Receipt Lateral Pipeline, line 31. The proposed work is related to the minor removal of existing pipe, within the original right-of-way, previously constructed and operating in accordance with approvals granted in Licence 1910.
2. ATCO stated that the Vermilion Receipt Lateral Pipeline, line 31, was constructed in 2009. Because the producer is no longer flowing gas, ATCO proposed to remove the 100-metre long 88.9-millimetre lateral pipeline. Given the length, diameter and location of the pipeline, the estimated cost of removal is equivalent to the estimated cost of abandonment. Therefore, removal was selected in order to eliminate future operational costs that would be associated with an abandoned pipeline. The total cost is estimated at \$156,000 which includes the abandonment of the tap on the main line and removal of the meter station.
3. ATCO stated that the pipeline removal does not require a historical resources impact assessment since the proposed work area is not referenced in the latest edition of Alberta Culture and Tourism's listing of historic resources.
4. ATCO stated that the pipeline would be tested for liquids prior to removal and any liquids found would be removed and properly disposed of.
5. ATCO stated that it would comply with the requirements of the guide for pipelines pursuant to the *Environmental Protection and Enhancement Act and Regulations* (Alberta Environment, 1994) and industry best practice. No watercourses or wetlands would be affected by the proposed removal work and ground disturbance would be minimized. ATCO stated a Phase 2 environmental assessment would be completed.

6. ATCO stated that consultation with landowners and occupants for this work was completed in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines*.
7. ATCO has provided information respecting the need, nature and extent of the project. Since the project involves limited ground disturbance and is within 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.
8. 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.
9. The Commission notes that ATCO did not address the regulatory treatment of the project costs or of the remaining net book value of the removed assets in the application. The Commission makes no determination regarding the regulatory treatment of these costs or the associated rate implications. The Commission intends to explore these matters in the ATCO Pipelines 2017-2018 general rate application – Proceeding 22011.
10. The Commission approves the application. The amended licence is attached.

Alberta Utilities Commission

(original signed by)

Wade Vienneau
Executive Director, Facilities Division
On behalf of the Alberta Utilities Commission

Attachment