

May 24, 2017

Decision 22627-D01-2017

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

Attention: Davis Wang, EIT
Project Engineer, Compressor & Salt Caverns Engineering

**Compressor Removal in the Lethbridge Area
Licence 2027
Proceeding 22627
Application 22627-A001**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (South) (ATCO), by Application 22627-A001 registered on May 3, 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 a compressor installation, installation 66, in the Lethbridge area. The proposed work is related to the minor removal of an existing pipeline installation, within the original site, previously constructed and operating in accordance with approvals granted in Licence 2027.
2. ATCO stated that the compressor installation was installed in 1990 in order to transport excess receipt gas from the Cardston Transmission System to the Mainline East System. At the time of construction, there was a large volume of surplus receipt gas on the Cardston Transmission System. Receipt volumes have declined and there is no longer an excess volume of gas on the Cardston Transmission System. It is not anticipated that the compressor will be required in the future, as the long-term supply forecast for the Cardston Transmission System is not expected to increase. ATCO proposed to remove the compressor installation along with associated piping and vessels but would continue to have a site control building, regulator building and separator fully operational on site in order to reduce pressure and provide gas transmission from the Mainline East towards Cardston. The cost of the proposed work is estimated at \$100,000. ATCO would be responsible for 100 per cent of the costs associated with this work. There is no incremental capital cost component for this work since it is 100 per cent removal. ATCO assessed the compressor package for potential reuse at other locations on the pipeline system, but no current or future need was identified. Various options are being evaluated for achieving salvage proceeds from the compressor package.
3. ATCO stated that a Phase 1 environmental site assessment¹ has been completed for the site. The assessment showed that there is no hydrocarbon staining around and within the perimeter of the site. However, due to the nature of the operation, there is still a potential of contaminants underneath the building. Therefore, a Phase 2 environmental site assessment would

¹ Exhibit 22627-X0006, Phase 1 Environmental Site Assessment.

be conducted in conjunction with the removal of the compressor installation. ATCO would not seek a reclamation certificate for the site at this time since it would continue to see active operation associated with overpressure protection. ATCO stated that in the event complete remediation of any contaminants found is not conducted during the removal, soil and groundwater sampling and monitoring programs would be developed to ensure potential contaminants do not migrate off-site. If contaminants have the potential to result in adverse effects to workers, the contaminants would be remediated immediately.

4. ATCO stated that no water crossings would be affected by the proposed removal and that any liquids encountered during the removal process would be captured and properly disposed of.

5. ATCO stated that the project 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.

6. ATCO stated that consultation has been successfully completed for the proposed compressor removal in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines* requirements with no concerns received from affected landowners and occupants. Removal operations are planned to commence during the spring or summer of 2017.

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 site, 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 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

Attachment