

June 20, 2017

Decision 22702-D01-2017

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

Attention: Mike Yee, P. Eng.
Senior Engineer Supervisory, Pipelines Engineering

**Transfer of Pipeline from ATCO Gas and Pipelines Ltd. (South) to
Pembina NGL Corporation
Licence 6419
Proceeding 22702
Application 22702-A001**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (South) (ATCO), by Application 22702-A001 registered on May 31, 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 delete line 19, near Gibbons, from the licence, in order to facilitate the transfer of line 19 from ATCO to Pembina NGL Corporation (PNGL). The proposed work is related to facilities previously constructed in accordance with approvals granted in Licence 6419.
2. ATCO stated that it received approval from the Commission under Application 1584237, to complete relocation of the 168.3-millimetre Redwater Delivery Pipeline, which involved line splits, removals and new construction, to accommodate the Redwater fractionator expansion as requested by PNGL. As a part of this relocation, line 19 was discontinued under Proceeding 344¹ and abandoned in place under Proceeding 3438² within PNGL property. On March 17, 2017, ATCO received approval from the Commission in Decision 22466-D01-2017,³ to amend pipeline Licence 6419 to accurately reflect the record of line 19.
3. ATCO stated that PNGL is undertaking an expansion of its existing facility which requires work in close proximity to the abandoned pipeline, line 19. PNGL has requested that ATCO transfer this pipeline to PNGL in order to streamline the administration of crossing agreements associated with the abandoned pipeline during the expansion project.

¹ Exhibit 0007.00.AUC-344, Decision 2009-179: ATCO Gas and Pipelines Ltd. (South) - Pipeline Discontinuation, Proceeding 344, Application 1605548, October 27, 2009.

² DA2014-249: ATCO Gas and Pipelines Ltd. (South) - Record Amendment Application, Proceeding 3483, Application 1610923, October 30, 2014.

³ Decision 22466-D01-2017: ATCO Gas and Pipelines Ltd. (South) – Pipeline near Fort Saskatchewan, Record Amendment Application, Proceeding 22466, Application 22466-A001, March 17, 2017.

4. ATCO stated that after reviewing its records, it was determined that cathodic protection was not maintained on line 19 at the time it was discontinued and ATCO cautioned that line 19 should not be put back into service.
5. ATCO also stated that as part of the transfer agreement, PNGL has the right and opportunity to conduct due diligence investigations respecting the transferred asset. Upon completion of the transfer, PNGL would accept all liability and obligations related to this asset. Line 19 would be transferred from ATCO to PNGL at a cost of \$1000.00.
6. ATCO stated that after approval from the Commission, ATCO would initiate the transfer through the Alberta Energy Regulator transfer process for PNGL to accept. Once this process is complete, ATCO would notify the Commission that the transfer has been completed.
7. ATCO has provided information respecting the need, nature and extent of the pipeline transfer. Since the pipeline transfer involves no ground disturbance, there will be no environmental impact. 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 other person will be directly affected by the proposal, and no adverse environmental impact will be caused by the proposed pipeline transfer.
9. The Commission approves the application. In approving the application however, the Commission makes no determination regarding the regulatory treatment of the costs of the assets to be removed, retired or abandoned pursuant to the application, the costs incurred in carrying out these activities, or the associated rate implications. The amended licence will be issued upon approval of the pipeline transfer by the Alberta Energy Regulator.

Alberta Utilities Commission

(original signed by)

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