



ATCO Gas and Pipelines Ltd. (South)

Southwest Calgary Connector Pipeline Project

August 9, 2017

Alberta Utilities Commission

Decision 22634-D01-2017

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Southwest Calgary Connector Pipeline Project

Proceeding 22634

Application 22634-A001

August 9, 2017

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Fifth Avenue Place, Fourth Floor, 425 First Street S.W.

Calgary, Alberta

T2P 3L8

Telephone: 403-592-8845

Fax: 403-592-4406

Website: www.auc.ab.ca

1 Decision summary

1. In this decision, the Alberta Utilities Commission must decide whether it is in the public interest to approve an application by ATCO Gas and Pipelines Ltd. (South) (ATCO) for new high-pressure pipelines in southwest Calgary, primarily within the Calgary transportation and utility corridor. The proposed pipelines, which ATCO refers to as the Southwest Calgary Connector Pipeline Project (SWCC project), would be a combined length of approximately 16 kilometres.

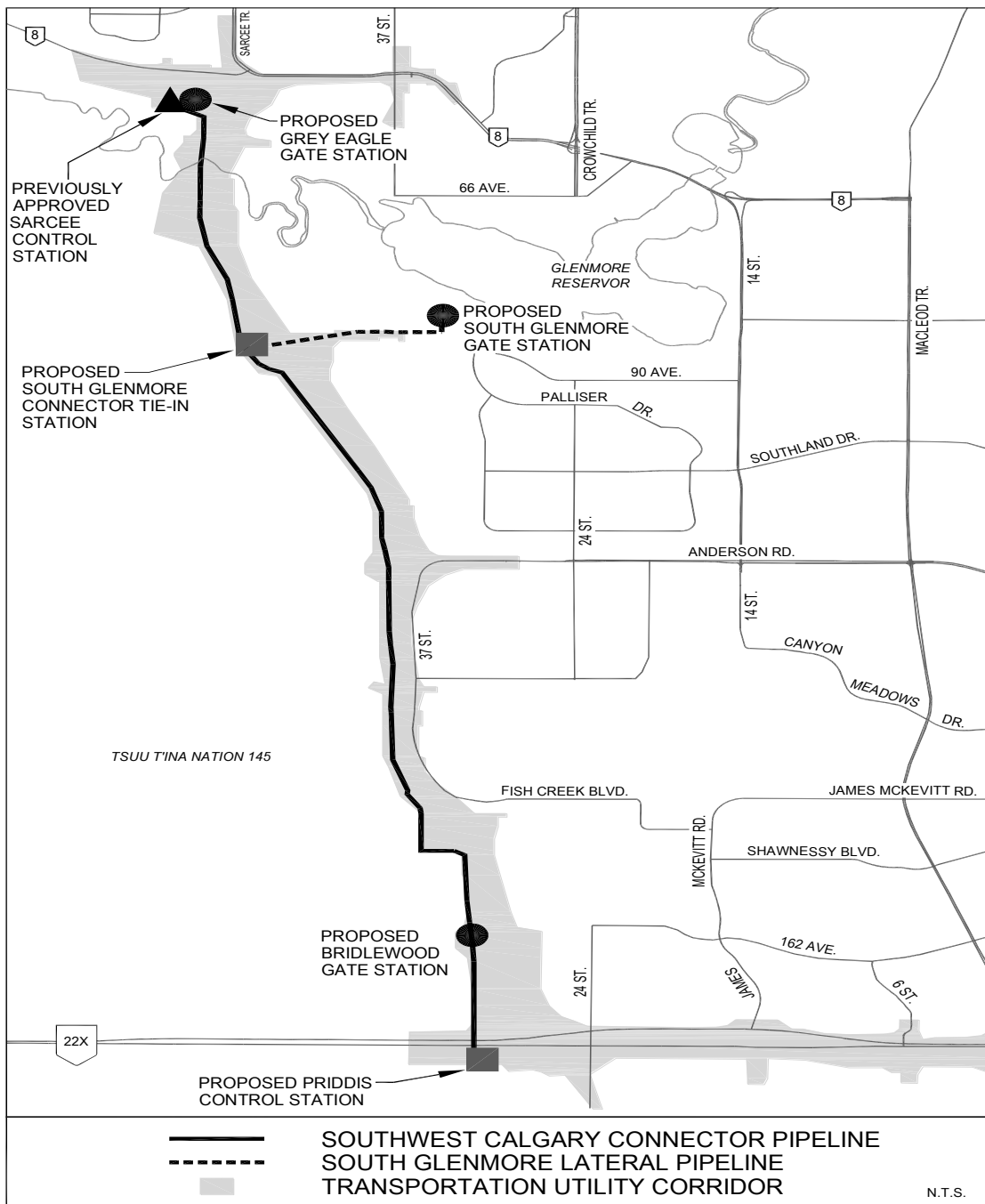
2. After consideration of the application, the Commission finds that the proposed pipelines can be constructed and operated safely in the proposed location and that approval of ATCO's application is in the public interest, having regard to its social, economic and environmental effects, subject to the following conditions:

- (a) Following completion of the SWCC project, ATCO shall confirm to the Commission in writing, by a post-approval filing in this proceeding, that it has satisfied the following commitments:
 - (i) compliance with the code of practice promulgated under the *Water Act* for all wetland and watercourse crossings
 - (ii) compliance with the conditions set out in the *Historical Resources Act* approval for the SWCC project
 - (iii) to obtain conservation and reclamation approval from the Alberta Energy Regulator and abide by the conditions therein
- (b) ATCO shall obtain written consent from the Minister of Infrastructure for the construction and operation of the portion of the SWCC project within the Calgary transportation and utility corridor and provide the Commission with written confirmation of that consent.
- (c) ATCO shall obtain conservation and reclamation approval for the SWCC project from the Alberta Energy Regulator and provide the Commission with written confirmation of that consent.
- (d) ATCO shall implement and adhere to its environmental protection plan. If ATCO determines that any material changes to the measures set out in the environmental protection plan are required, ATCO must advise the Commission in writing of such changes and the reason for the changes. Following completion of the project, including any necessary reclamation, ATCO shall confirm to the Commission in writing, by a post-approval filing in this proceeding, that it has implemented all necessary and required mitigation measures set out in the environmental protection plan.

3. Upon receipt of the conservation and reclamation approval and the Minister of Infrastructure’s consent, the Commission will issue the necessary amendment to Licence 1952.
4. The Commission’s reasons for this decision are set out in detail below.

2 Introduction

5. On May 5, 2017, ATCO filed an application with the Commission to construct new high-pressure natural gas transmission pipelines as part of its Urban Pipeline Replacement Project. The SWCC project includes the installation of the proposed Southwest Calgary Connector Pipeline and the proposed South Glenmore Lateral Pipeline as shown on the map below:



3 Background

3.1 ATCO's Urban Pipeline Replacement Project

6. Most of ATCO's high-pressure gas transmission pipelines currently located in Calgary and Edmonton were constructed prior to 1970 in rural areas on the outskirts of each city. Because of urban development, many of these pipelines are now located in highly-developed, densely-populated areas.

7. In 2011, ATCO initiated a program for the replacement of these urban pipelines through a series of applications to the Commission. ATCO identified 12 individual replacement projects, four in Edmonton and eight in Calgary, designed to move many of its existing pipelines into the Edmonton and Calgary transportation and utility corridors. ATCO referred to the project collectively as the Urban Pipeline Replacement Project (UPR project). In July 2012, the Commission directed ATCO to file a single application to establish the need for the UPR project. In its UPR project application, ATCO described why the project was necessary, the three other alternatives it considered, and why it believed that its proposed UPR project was the best alternative.

8. The Commission held a public hearing in the fall of 2013 to consider the need for the UPR project and the alternatives developed by ATCO. Following the hearing, the Commission issued Decision 2014-010¹ in which it approved ATCO's UPR project application. The Commission decided that the risk of continued long-term operation of the existing Edmonton and Calgary pipeline systems was unacceptable and determined that ATCO's UPR project proposal to move the systems primarily into the transportation and utility corridors was in the public interest. The Commission concluded that the UPR project proposal was superior to the other alternatives, having regard to risk management, system integrity, reliability of supply, public disruption, technical feasibility and siting.

9. Following the Commission's approval of the need for the UPR project, ATCO began to file applications for the individual pipeline projects, laterals, transfers and abandonments that were described in its UPR project application.

10. On September 22, 2016, ATCO filed its 2017-2018 general rate application² in Proceeding 22011, in which it updated the forecast cost of the SWCC project. ATCO explained in this proceeding that it filed the updated forecast cost for the SWCC project, in Proceeding 22011, in response to the following direction given by the Commission in paragraph 249 of Decision 2014-010:

249. Should there be any material changes in the timing or any other aspect of the implementation of the UPR project, the Commission directs ATCO Pipelines to advise the Commission of such changes at the time of any related facilities application or at the time of its next [general rate application] GRA, whichever comes first.³

¹ Decision 2014-010: ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd. – Urban Pipeline Replacement Project, Proceeding 1995, Application 1608617, January 17, 2014. Errata issued on February 21, 2014.

² Proceeding 22011, ATCO Pipelines 2017-2018 General Rate Application, Exhibit 22011-X0009, 7.0 Attachments (Including 7.1, 7.2 and 7.3) - UPR Project Updates, pages 22-25.

³ Decision 2014-010, paragraph 249.

4 The application

11. ATCO is requesting approval of an amendment to Licence 1952 pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act* for the following:

- Addition of a newly constructed pipeline (lines 66 to 80 – 14.08 kilometres of 508-millimetre outside-diameter pipeline), the Southwest Calgary Connector Pipeline.
- Addition of a newly constructed pipeline (lines 81 to 85 – 1.91 kilometres of 323.9-millimetre outside-diameter pipeline), the South Glenmore Lateral Pipeline.
- Three new gate stations, the Grey Eagle Gate Station, the Bridlewood Gate Station, and the South Glenmore Gate Station.
- One new control station, the Priddis Control Station.
- One new connector tie-in station, the South Glenmore Lateral Tie-in Station.

12. The SWCC project consists of the following major components, each of which is shown on the above map:

- The proposed 508-millimetre Southwest Calgary Connector Pipeline, beginning at the previously approved Sarcee Control Station near Glenmore Trail and Sarcee Trail. From that location, the Southwest Calgary Connector Pipeline is routed south within the Calgary transportation and utility corridor to the proposed South Glenmore Lateral Tie-in Station. The pipeline would then continue south within the Calgary transportation and utility corridor until its endpoint at the proposed Priddis Control Station near Highway 22X and 37th Street S.W.
- The proposed 323.9-millimetre South Glenmore Lateral Pipeline, beginning at the proposed South Glenmore Lateral Tie-in Station would be routed east along the future 90th Avenue S.W. roadway within the Calgary transportation and utility corridor, until it enters city of Calgary municipal jurisdiction, and would end at the proposed South Glenmore Gate Station.

5 Commission process

13. The Commission mailed a notice of application on May 26, 2017, to over 95 land title holders and occupants within 200 metres of the proposed pipelines. The notice was emailed to AUC eFiling System users that had chosen to be notified of notices of application issued by the Commission, published in the Calgary Herald and the Calgary Sun, and made available on the AUC website. The Commission also held a public information session in south Calgary on June 15, 2017.

14. The Asini Wachi Nehiyawak (Mountain Cree) / Bobtail Descendants Traditional Band (AWNTB) filed the only statement of intent to participate with respect to the project. On July 12, 2017, the Commission found that the AWNTB had not met the standing test, as insufficient information was provided respecting the nature of the AWNTB's alleged rights or

interests, or the potential effect of the Commission's decision on those rights or interests. The Commission accordingly denied the AWNTB's request for standing to participate in this proceeding.⁴

15. The Commission issued information requests to ATCO in May and July of 2017, and ATCO provided its responses shortly thereafter.

6 Environmental assessment

16. ATCO retained CH2M HILL Energy Canada Ltd. to prepare a pre-construction site assessment and environmental protection plan⁵ for the SWCC project. ATCO committed to follow the environmental protection plan during construction and operation of the pipelines.

17. ATCO submitted that the Alberta Energy Regulator would administer the SWCC project as a Class I pipeline⁶ with respect to the conservation and reclamation approval. As a result, ATCO indicated that it would submit a conservation and reclamation application to the Alberta Energy Regulator to obtain conservation and reclamation approval under the *Environmental Protection and Enhancement Act*, and that ATCO would follow all approval requirements provided by the Alberta Energy Regulator.⁷

18. ATCO confirmed with Alberta Infrastructure and the Alberta Energy Regulator that the conservation and reclamation approval from the Alberta Energy Regulator cannot be granted without ministerial consent from Alberta Infrastructure. Because of this requirement, and because ministerial consent cannot be granted absent AUC approval of the project, ATCO requested that the AUC provide an approval for the SWCC project so that ATCO can proceed with requesting ministerial consent. After ministerial consent is granted, ATCO would then apply to the Alberta Energy Regulator for conservation and reclamation approval.

19. The SWCC project would include nine trenchless crossings expected to be installed by horizontal directional drill, and two by auger bore. ATCO stated that it would comply with the code of practice promulgated under the *Water Act* for all watercourse and wetland crossings.

20. ATCO stated that a historic resources application was submitted to Alberta Culture and Tourism for approval and confirmation that no further assessment would be required for the project. The *Historical Resources Act* approval was granted on June 6, 2017.

21. ATCO engaged Acoustical Consultants Inc. to complete noise impact assessments for the Grey Eagle Gate Station, South Glenmore Gate Station, Bridlewood Gate Station and

⁴ Exhibit 22634-X0042, AUC Ruling on Standing, July 12, 2017.

⁵ Exhibit 22634-X0019, Southwest Calgary Connector Pipeline Project –Pre-Construction Site Assessment and Environmental Protection Plan.

⁶ For environmental protection purposes, pipelines in the province are categorized as Class I or Class II pipelines. Class I pipelines require a Conservation and Reclamation Approval prior to any surface disturbance. Class I lines are those lines with an "index" of 2690 or greater. The index is calculated by multiplying the outside diameter (mm) of the pipe by the length of the line (km).

<https://extranet.gov.ab.ca/env/infocentre/info/posting.asp?assetid=6830&categoryid=4>

⁷ Exhibit 22634-X0048, Information Response – Round 2, July 25, 2017.

Priddis Control Station.⁸ The assessments showed that noise mitigation would not be required because the noise levels for each of the proposed stations were assessed to be in compliance with Rule 012: *Noise Control*.

7 Consultation

22. ATCO stated that it completed consultation and notification in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines*. Public consultation began in the first quarter of 2017 with notifications to all residents within 200 metres of the proposed SWCC project. The notice included an invitation to an open house in February, 2017. ATCO also advertised the proposed project in the Calgary Herald and Calgary Sun on January 26, 2017. ATCO also indicated that industry notifications were sent to all operators of licenced pipelines or wells within five kilometres of the proposed SWCC project on April 15, 2017.

23. ATCO held consultation meetings with Alberta Infrastructure, Alberta Transportation, the City of Calgary and other stakeholders in selecting the alignment of the proposed pipelines and facility locations for the SWCC project in the transportation and utility corridor. The City of Calgary reviews and approves the alignment of utilities within municipal public thoroughfares, whereas, Alberta Infrastructure reviews and approves the alignment of utilities and roads within the transportation and utility corridor.

24. ATCO received a letter from the City of Calgary⁹ stating that it has no objections to the SWCC project.

25. With respect to development in the transportation and utility corridor, Section 4(2) of the *Calgary Restricted Development Area Regulations* states:

No Minister of the Crown, government official or government agency shall, without the written consent of the Minister of Infrastructure, exercise any power under the *Municipal Government Act*, *The Pipeline Act*, 1975, the *Water Resources Act* or any other Act to order, authorize, approve, permit or consent to any operation or activity that causes, is likely to cause or will cause a surface disturbance of any land in the Area, or issue or cause to be issued any order, authorization, approval, permit, licence or consent instrument for that purpose.

26. ATCO indicated that it received a letter from Alberta Infrastructure¹⁰ stating that it has no objections to the SWCC project and that ministerial consent for the project within the transportation and utility corridor would be issued subsequent to Commission approval.

27. ATCO stated that an adequacy assessment of consultation with Aboriginal groups was conducted for the entire length of the pipelines. The Aboriginal Consultation Office of the Government of Alberta determined that no consultation was required, and ATCO filed those confirmations with the Commission.¹¹

⁸ Exhibit 22634-X0015, Grey Eagle Gate Station Noise Impact Assessment; Exhibit 22634-X0016, South Glenmore Gate Station Noise Impact Assessment; Exhibit 22634-X0017, Bridlewood Gate Station Noise Impact Assessment; Exhibit 22634-X0018, Priddis Control Station Noise Impact Assessment.

⁹ Exhibit 22634-X0011, City of Calgary Letter of Non-Objection.

¹⁰ Exhibit 22634-X0010, MCC Letter of Non-Objection.

¹¹ Exhibit 22634-X0012, FNC Adequacy 1; Exhibit 22634-X0013, FNC Adequacy 2.

28. ATCO stated that it has not received objections to the SWCC project from any of the tenants, occupants or parties that may be potentially affected by the Commission's decision on its application. ATCO further reported that there were no concerns raised as a result of the industry notifications to pipeline and well operators within five kilometres of the proposed pipeline route.

8 Findings

29. As discussed, the Commission previously assessed and approved the need for the UPR projects in Decision 2014-010. The Commission recognizes that ATCO has filed the updated forecast cost of the SWCC project in accordance with the direction given by the Commission in paragraph 249 of Decision 2014-010, and the updated forecast cost of the project is being reviewed by the Commission as part of Proceeding 22011, ATCO Pipelines 2017-2018 General Rate Application.

30. When deciding whether approval of the project is in the public interest, the Commission is required by Section 17 of the *Alberta Utilities Commission Act* to have regard for the project's social and economic effects and its effects on the environment.

31. The Commission has determined that the application meets the information requirements of Rule 020, including public involvement and consultation. The Commission accepts ATCO's confirmation that there are no outstanding public or industry objections or concerns.

32. In making its decision, the Commission took into account the following commitments made by ATCO:

- To comply with the code of practice promulgated under the *Water Act* for all wetland and watercourse crossings.
- To abide by the conditions set out in the *Historical Resources Act* approval granted to it for the project by Alberta Culture and Tourism.
- To obtain conservation and reclamation approval from the Alberta Energy Regulator and abide by the conditions therein.

33. Following completion of the project, including any necessary reclamation, ATCO shall confirm to the Commission in writing, by a post-approval filing in this proceeding, that it has complied with each of the above commitments.

34. The Commission is satisfied that the information submitted by ATCO in its application fulfills the requirements of Rule 012, and it accepts ATCO's submissions that noise levels at the proposed stations will not exceed the permitted sound levels.

35. The Commission recognizes that it may not issue a licence for the construction and operation of the portion of the SWCC project within the transportation and utility corridor until it receives the Minister of Infrastructure's written consent.

36. Based on the foregoing, the Commission considers the project to be in the public interest, in accordance with Section 17 of the *Alberta Utilities Commission Act*.

9 Decision

37. Considering the foregoing, the Commission finds that approval of the SWCC project is in the public interest and should be approved subject to the four conditions set out in the order below. The Commission finds that the risk associated with the SWCC project pipelines is acceptable and is satisfied that the pipelines can be operated safely.

10 Order

38. Pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, the Commission approves the amendment to Licence 1952 subject to the conditions listed below.

39. It is hereby ordered that:

- (a) Following completion of the SWCC project, ATCO shall confirm to the Commission in writing, by a post-disposition filing in this proceeding, that it has satisfied the following commitments:
 - (i) compliance with the code of practice promulgated under the *Water Act* for all wetland and watercourse crossings
 - (ii) compliance with the conditions set out in the *Historical Resources Act* approval for the SWCC project
 - (iii) to obtain conservation and reclamation approval from the Alberta Energy Regulator and abide by the conditions therein
- (b) ATCO shall obtain written consent from the Minister of Infrastructure for the construction and operation of the portion of the project within the transportation and utility corridor and provide the Commission with written confirmation of that consent.
- (c) ATCO shall obtain conservation and reclamation approval for the SWCC project from the Alberta Energy Regulator and provide the Commission with written confirmation of that consent.
- (d) ATCO shall implement and adhere to its environmental protection plan. If ATCO determines that any material changes to the measures set out in the environmental protection plan are required, ATCO must advise the Commission in writing of such changes and the reason for the changes. Following completion of the project, including any necessary reclamation, ATCO shall confirm to the Commission in writing, by a post-disposition filing in this proceeding, that it has implemented all necessary and required mitigation measures set out in the environmental protection plan.

Dated on August 9, 2017.

Alberta Utilities Commission

(original signed by)

Henry van Egteren
Commission Member