

September 6, 2017

Decision 22849-D01-2017

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

Attention: Farran Lumb, P. Eng.
Project Engineer, Compressor & Salt Caverns

**Spirit River Compressor Removal
Licence 1571
Proceeding 22849
Application 22849-A001**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (ATCO), by Application 22849-A001 registered on August 1, 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 near Spirit River:
 - removal of installation 1
 - driver power source amendment of installation 1
2. 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 1571.
3. ATCO stated that the Spirit River compressor installation was installed in 1997 to deliver excess gas onto the NOVA Gas Transmission Ltd. system when supply exceeded demand on ATCO's Grande Prairie transmission system. Producer receipts on this system have declined to the degree that ATCO's Grande Prairie transmission system is no longer oversupplied. In 2017 ATCO completed its assessment of the Spirit River compressor as part of the overall Grande Prairie transmission system, and with confirmation from NOVA Gas Transmission Ltd., ATCO determined that the Spirit River compressor is no longer required and could be removed. ATCO proposed to remove the compressor installation along with associated piping and vessels. The cost of the proposed work is estimated at \$125,000. There is no capital cost component for this work since it is 100 per cent removal. ATCO assessed the compressor installation for potential reuse at other locations on the pipeline system, but no current or future need was identified.

4. ATCO considers the removal and salvage of the Spirit River compressor installation to be an ordinary retirement within ATCO's normal course of business as its system continues to change over time with respect to supply and growth.¹ ATCO stated that the Spirit River compressor has been retired from rate base and any proceeds resulting from any sale or transfer of the Spirit River compressor installation will offset the costs of removal to the benefit of customers.

5. ATCO stated that a Phase I environmental site assessment² 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 be conducted in conjunction with the removal of the compressor installation. ATCO would not seek a reclamation certificate for the site since it would continue to operate as an active interconnect station. ATCO would make the decision to complete remediation based on factors including the contaminants identified, extent and mobility of contamination, available remedial options, timeline to complete remediation, exposure pathways and operational impacts. Any contamination remaining on or near the site would be routinely monitored in the soil and groundwater to ensure no impacts to sensitive receptors occur.

6. 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.

7. 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.

8. 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 in September of 2017.

9. 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.

10. 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.

¹ Exhibit 22849-X0015, Information Request Responses, page 3.

² Exhibit 22849-X0008, P25439 – Spirit River Phase 1 ESA.

11. 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 is attached.

Alberta Utilities Commission

(original signed by)

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

Attachment