



ATCO Gas and Pipelines Ltd.

Turin East Transmission Loop Pipeline

September 29, 2017

Alberta Utilities Commission

Decision 22884-D01-2017

ATCO Gas and Pipelines Ltd.

Turin East Transmission Loop Pipeline

Proceeding 22884

Application 22884-A001

September 29, 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

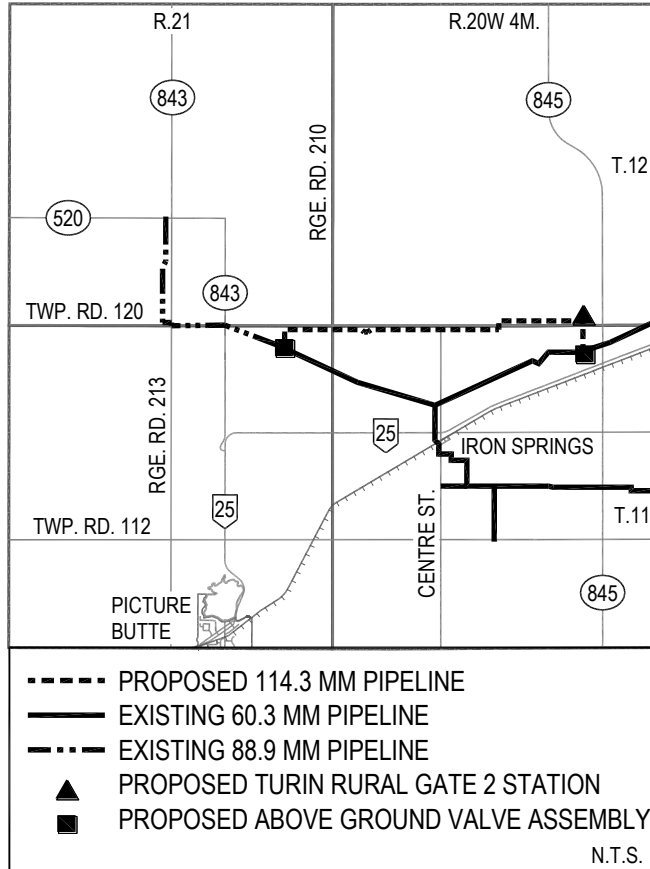
1. In this decision, the Alberta Utilities Commission must decide whether it is in the public interest to approve an application by ATCO Gas and Pipelines Ltd. to construct the Turin East Transmission Loop Pipeline. After consideration of the record of the proceeding, and for the reasons outlined in this decision, the Commission finds that approval of the proposed project is in the public interest, having regard to the social and economic effects of the proposed project, including its effects on the environment.

2 Introduction

2. ATCO Gas and Pipelines Ltd. (ATCO) filed an application with the Alberta Utilities Commission seeking approval for an amendment to Licence 6306 pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act* to construct the Turin East Transmission Loop Pipeline (the project) located near Iron Springs. The proposed project is comprised of the following:

- the addition of a newly constructed pipeline (line 9 – 10.5 kilometres of 114.3-millimetre outside-diameter pipeline)
- the addition of a delivery gate station, the Turin Rural Gate 2 Delivery Station
- above-ground valve assemblies at the endpoints of the new pipeline

3. ATCO submitted an application for service to NOVA Gas Transmission Ltd. (NGTL) requesting firm transportation delivery service of 2,596 gigajoules per day. This incremental request, combined with a reduction of approximately 20 percent in interconnect pressures from NGTL to supply the Turin East Transmission System, has created a capacity shortfall on the ATCO system. The proposed pipeline would supplement the supply from the existing 60.3-millimetre Turin East Transmission System, as illustrated below, and meet the current and future contractual demands. The target in-service date for the Turin East Transmission Loop Pipeline is December 2017.



3 Background

4. In Proceeding 22011, ATCO Pipelines 2017-2018 General Rate Application, ATCO requested approval of its 2017 and 2018 revenue requirements, which included provision for capital expenditures to install the Turin East Transmission Loop Pipeline. In the business case it filed in Proceeding 22011, ATCO outlined the need to install the Turin East Transmission Loop Pipeline, describing why the project was necessary, the four alternatives it considered, and how it reached the conclusion that its proposed Turin East Transmission Loop Pipeline was the best alternative.¹

5. The Commission assessed and approved the need for the Turin East Transmission Loop Pipeline in Decision 22011-D01-2017.²

4 Change in cost and length of proposed pipeline from the business case

6. ATCO stated that upon completion of the land consultation process, which occurred after it submitted its general rate application business case, ATCO determined that additional pipeline length was required to address landowner concerns. Routing modifications that increased the length of the project from 8.5 kilometres to 10.50 kilometres were proposed. As a result of the

¹ Exhibit 22011-X0009 - 7.0 Attachments (Including 7.1, 7.2 and 7.3), Turin East Transmission Loop and Turin Rural Gate 2 – Installation – Business Case, PDF pages 45 to 55.

² Decision 22011-D01-2017: ATCO Pipelines 2017-2018 General Rate Application, Proceeding 22011, August 29, 2017.

additional length of pipeline, the capital cost was estimated to increase from \$5,346,000 to \$5,600,000.

5 Commission process

7. The Commission issued a notice of application on August 30, 2017 indicating a deadline of September 20, 2017 for filing submissions to express objections to, concerns about, or support for the application. The notice was sent directly to all landowners, occupants and residents along the proposed route, and was advertised in the Coaldale Sunny South News. No submissions were received by the September 20, 2017 submission deadline.

8. The Commission issued information requests to ATCO on August 29, 2017. ATCO responded to the requests on August 30, 2017.

6 Environmental assessment

9. ATCO retained CH2M Hill Energy Canada Ltd. to complete a pre-construction site assessment and environmental protection plan³ for this project, and indicated that field assessments would be completed throughout the proposed pipeline right-of-way in the fall of 2017. The environmental protection plan would be revised to reflect results from the field assessments if necessary. ATCO added that it would comply with the code of practice in accordance with the *Water Act* for all watercourse, wetland and drainage crossings.

10. ATCO stated that Alberta Culture and Tourism provided *Historical Resources Act* clearance for the project on May 31, 2017. A historical resource impact assessment was not required for the proposed project.

11. ATCO proposed to install the Turin Rural Gate 2 Delivery Station at Legal Subdivision 2, Section 2, Township 12, Range 20, west of the Fourth Meridian. The proposed station would be 165 metres from the closest residence. A noise impact assessment⁴ demonstrated that noise mitigation would not be required at the site. The noise impact assessment indicates that the station meets the requirements of Rule 012: *Noise Control*.

7 Consultation

12. ATCO stated that it has completed consultation and notification in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines*. Confirmation of non-objection with directly and adversely affected landowners has been obtained.

8 Findings

13. When deciding whether approval of the proposed facilities 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.

³ Exhibit 22884-X0007, Pre-construction Site Assessment and Environmental Protection Plan.

⁴ Exhibit 22884-X0016, ATCO Turin Rural Gate 2 Station NIA.

14. The Commission has reviewed the application and has determined that it meets the information requirements of Rule 020, including public involvement and consultation. The Commission accepts ATCO's confirmation that a participant involvement program has been conducted and that there are no outstanding public or industry objections or concerns.
15. The Commission is satisfied with ATCO's commitment to comply with the code of practice in accordance with the *Water Act* for all watercourse, drainage and wetland crossings and that Alberta Culture and Tourism provided *Historical Resources Act* clearance for this project.
16. The Commission finds that the environmental information required for the project has been sufficiently addressed within the environmental protection plan, and accepts ATCO's statement that the environmental protection plan would be revised, if necessary, to reflect results from field assessments, to be completed in the fall of 2017.
17. The Commission also finds that noise-related information in the application submitted by ATCO fulfills the requirements of Rule 012.
18. The Commission accepts ATCO's assessment that additional pipeline length is required to address landowners' concerns and consequently results in a revised capital cost, and that the project remains the least cost alternative.
19. The Commission finds that the proposed Turin East Transmission Loop Pipeline would supplement the supply from the existing 60-millimetre Turin East Transmission System and meet the current and future contractual demands.
20. 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*. The Commission approves ATCO's application without approving any rate impacts associated with the variation in forecast capital costs.

9 Decision

21. Pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, the Commission approves the Turin East Transmission Loop Pipeline and grants ATCO the amended licence as set out in Appendix 1 – Gas Utility Pipeline – Licence 6306 – September 29, 2017 (Appendix 1 will be distributed separately).

Dated on September 29, 2017.

Alberta Utilities Commission

(original signed by)

Anne Michaud
Commission Member