

September 28, 2017

Decision 22939-D01-2017

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

Attention: Amy Boettger, P. Eng.
Project Engineer, Operations Engineering

**Removal and Replacement of Two Sections of the
Salt Cavern Storage Transmission Pipeline
Licence 16723
Proceeding 22939
Application 22939-A001**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (ATCO), by Application 22939-A001 registered on September 8, 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 Scotford:

- splitting of line 70 into lines 70, 216, 217, 218 and 219
- removal of lines 216 and 218
- addition of a newly constructed pipeline (line 220 – 0.13 kilometres of 610-millimetre outside-diameter pipeline)
- line 217 is to be abandoned in place and recorded in a subsequent application
- line 219 is to remain in operation

2. The proposed work is related to the minor removal and replacement of existing pipe at a railroad right-of-way crossing, previously constructed and operating in accordance with approvals granted in Licence 16723.

3. In response to a request from a developer, ATCO proposed to install a 130 metre long uncased 610-millimetre outside-diameter pipeline segment, line 220, in a new alignment beside the original installation. ATCO would remove 90 metres of existing cased 610-millimetre outside-diameter pipe, lines 216 and 218, and abandon a 40 metre long existing cased 610-millimetre outside-diameter pipeline segment, line 217, in place and record the abandonment under a subsequent application. The proposed project is part of a pipeline lowering to accommodate a proposed land development. The installation would be completed partially by boring and partially by open trench. The bored section would be used to cross an existing CN rail line.

4. ATCO stated that the total project cost is estimated at \$2,650,000. This includes capital costs of \$2,518,000 and removal costs of \$132,000. The developer would reimburse ATCO for

the entire cost of the project. No new operational costs are forecasted as a result of the project. The breakdown of costs is as follows:¹

(\$000)	Engineering	Materials	Land	Construction	AFUDC*	Total
2017	40	583	70	1,825	0	2,518

* Allowance for Funds Used During Construction

5. ATCO has developed an environmental protection plan² for this project. The Commission accepts ATCO's statement that it would implement all recommendations included within the environmental protection plan. ATCO indicated that this project does not require a historical resource impact assessment since the proposed work area is not referenced in the latest edition of Alberta Culture and Tourism's listing of historic resources. The pipeline would be tested for liquids prior to removal and any liquids found would be removed and properly disposed of. The topsoil would be stripped and stored, and all surface disturbances would be backfilled before the topsoil is returned. After the section of pipeline is removed, ATCO would restore the right-of-way to the developer's requirements and would obtain a reclamation certificate as required by the *Environmental Protection and Enhancement Act* prior to discharging the right-of-way.

6. ATCO stated that consultation with landowners and occupants for this work has been completed in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines*. Confirmation of non-objection from directly and adversely affected landowners and occupants has been obtained. Construction is scheduled to start in September or October of 2017.

7. The Commission accepts the rationale for the need for the project in view of the third-party relocation request and the 100 per cent developer contribution. ATCO has provided information respecting the need, nature and extent of the project. Since the project involves limited ground disturbance and is within or adjacent to the original right-of-way, 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.

¹ Exhibit 22939-X0002, Business Case.

² Exhibit 22939-X0003, Environmental Protection Plan.

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 is attached.

Alberta Utilities Commission

(original signed by)

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

Attachment