

October 4, 2017

Decision 22947-D01-2017

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

Attention: Nick Khotenko, P. Eng.
Project Engineer, Pipelines Engineering

**Replacement of Sections of the Swan Hills Transmission Pipeline
Licence 3861
Proceeding 22947
Application 22947-A001**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (ATCO), by Application 22947-A001 registered on September 14, 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 the village of Birch Cove:

- splitting line 8 into lines 8, 91 and 92
- splitting line 66 into lines 66, 93 and 94
- mapping amendment of original line 66
- lines 91 and 93 are to be abandoned in place and then recorded as abandoned under a subsequent application
- addition of newly constructed pipeline (line 95 – 0.05 kilometres of 323.9-millimetre outside diameter pipeline)
- addition of newly constructed pipeline (line 96 – 0.07 kilometres of 323.9-millimetre outside diameter pipeline)

2. The proposed work is related to the minor splits and replacements of sections of the existing pipeline, within the original right-of-way, previously constructed in accordance with approvals granted in Licence 3861.

3. ATCO stated that the inline inspection results for the 323.9-millimetre Swan Hills Transmission Pipeline identified corrosion and metal loss concerns on the carrier pipeline sections within the cased road crossings at range roads 31, 40 and 51. Therefore, ATCO proposed to install new uncased pipeline crossings at these locations and abandon or remove the existing pipeline crossings and casings.

4. ATCO stated that the scope of work at Range Road 31 includes the installation of 50 metres of new 323.9-millimetre pipeline, line 95, within the existing right-of-way and abandonment of approximately 50 metres of existing 323.9-millimetre carrier pipeline, line 91,

as well as the 406.4-millimetre casing. The scope of work at Range Road 40 includes the installation of 70 metres of new 323.9-millimetre pipeline, line 96, within the existing right-of-way and abandonment of approximately 70 metres of existing 323.9-millimetre carrier pipeline, line 93, along with the 406.4-millimetre casing. The scope of work at Range Road 51 would consist of replacing 36 metres of 323.9-millimetre pipeline within the existing right-of-way and removing 36 metres of existing 323.9-millimetre carrier pipeline along with the 406.4-millimetre casing. No licencing amendment is required for the replacement at Range Road 51 because, in that project, the replaced pipe will be removed.¹ The total cost of the replacements is estimated to be \$2,110,000 with removal costs of \$95,000.

5. ATCO stated that the project was identified under its in-line inspection program, which was included in its 2017-2018 general rate application and was recently approved in Decision 22011-D01-2017.²

6. ATCO stated that this project does not require a historical resources impact assessment since it is a Class II pipeline and the proposed work area is not referenced in the latest edition of Alberta Culture and Tourism's listing of historic resources.

7. ATCO stated that the sections of pipeline to be removed and abandoned would be cleaned and any liquids, if present, would be captured and disposed of prior to the removal or abandonment activity. The topsoil would be stripped and stored and all surface disturbances would be backfilled before the topsoil is returned. The proposed 323.9-millimetre pipeline segments would be bored at range roads 31 and 40 and open-cut at undeveloped Range Road 51. There are no watercourse crossings that would be affected by the installation or abandonment activities.

8. ATCO stated that the consultation with landowners and occupants for this work was completed in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines* and indicated that the landowners and occupants of the affected lands did not object to the project. Construction is planned for the second quarter of 2018.

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 right-of-way, the resultant environmental impact of the work has been assessed with no significant impact identified.

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.

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

¹ Reference Section 7.5.2 of Rule 020: *Rules Respecting Gas Utility Pipelines*.

² Decision 22011-D01-2017, ATCO Pipelines, 2017-2018 General Rate Application, Proceeding 22011, August 29, 2017, paragraph 51, PDF page 20.

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