

November 3, 2017

Decision 22944-D01-2017

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

Attention: Jon Dies, P. Eng.
Manager, Pipelines Engineering

**219.1-millimetre Paddle River Transmission
Pipeline Abandonment Project
Licences 5341, 5797 and 12109
Proceeding 22944
Applications 22944-A001 to 22944-A003**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (ATCO), by applications 22944-A001 to 22944-A003 registered on September 12, 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 town of Mayerthorpe:

Pertaining to Licence 5341:

- splitting of line 20 into lines 20, 50 and 51
- removal of lines 22 and 50
- length amendment of line 22 from 0.15 kilometres to the revised length 0.08 kilometres
- length amendment of line 27 from 0.29 kilometres to the revised length 0.35 kilometres
- mapping amendments of lines 22 and 27
- environmental code amendment of original line 20

Pertaining to Licence 5797:

- removal of line 7

Pertaining to Licence 12109:

- addition of an existing unlicensed operating pipeline (line 32 – 0.07 kilometres of 60.3-millimetre outside-diameter pipeline)

2. The proposed work is related to the minor split and removal of existing pipe, within the original rights-of-way, previously constructed in accordance with approvals granted in licences 5341 and 5797. In addition, an existing unlicensed pipeline within an existing right-of-way is proposed to be added to Licence 12109.

3. ATCO stated that inline inspection results for the 219.1-millimetre Paddle River Transmission Pipeline identified severe corrosion and metal loss concerns on the section of pipe identified in this application. Based on the inline inspection results and leak history, ATCO proposed to abandon approximately 21 kilometres of the 219.1-millimetre Paddle River Transmission Pipeline from the Paddle River Receipt Station to the Paddle River West Pembina Block Valve. The 219.1-millimetre Paddle River Transmission Pipeline was installed in 1965 and was looped with the 273.1-millimetre Paddle River Transmission Loop Pipeline in 1976. All customers on the 219.1-millimetre Paddle River Transmission Pipeline within the segment proposed to be abandoned are dually connected to the 273.1-millimetre Paddle River Transmission Loop Pipeline and would not be impacted by the proposed abandonment. This 219.1-millimetre pipeline segment would be abandoned in place and then recorded as abandoned under a subsequent application.

4. ATCO indicated that the proposed abandonment of the 219.1-millimetre Paddle River Transmission Pipeline would include purging the pipeline with air, cleaning the pipeline to remove any liquids, removing above ground risers and capping the pipeline at 10 sites. It would also include grouting and capping the pipeline at 11 road crossings; removing 20 metres of 219.1-millimetre pipeline, line 50 of Licence 5341, which is currently exposed in an unnamed creek; removing 70 metres of 88.9-millimetre pipeline, line 7 of Licence 5797; and removing 80 metres of 60.3-millimetre pipeline, line 22 of Licence 5341.

5. ATCO stated that line 22 of Licence 5341 was originally licensed incorrectly as a single pipeline with a length of 150 metres. However, two pipelines were actually installed. One pipeline was installed from the 219.1-millimetre Paddle River Transmission Pipeline to the Rochfort Gate Tie-in station and another pipeline, which was not licenced, was installed from the 273.1-millimetre Paddle River Transmission Loop Pipeline to the Rochfort Gate Tie-in Station. The combined length of these two pipelines was 150 metres. ATCO proposed to correct this error by adding the unlicensed line as line 32 to Licence 12109. Amendments to the base maps and length amendments are also required in order to accurately reflect the record of these pipelines.

6. ATCO stated that this project has no capital costs associated with it and the removal costs are estimated at \$1,150,000.

7. ATCO retained Ecoventure Inc. to complete an environmental protection plan¹ for this project. This 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. ATCO stated that during construction it would comply with the requirements of the *Guide for Pipelines* pursuant to the *Environmental Protection and Enhancement Act and Regulations (Alberta Environment, 1994)*.

8. ATCO stated that it was determined, by means of the self-assessment tool provided by the Department of Fisheries and Oceans, that the work for this project does not require a request for review. Code of Practice notifications were submitted in accordance with the *Water Act* for pipelines crossing a water body to Alberta Environment and Parks on September 12, 2017. No

¹ Exhibit 22944-X0002, Environmental Protection Plan.

application is required for Navigable Waters (Transport Canada) under the *Navigable Waters Act* since the associated river crossing is not within a scheduled watercourse. Removal of the exposed pipeline is proposed to begin in November 2017, under frozen conditions. Any liquids contained in the pipelines would be captured and disposed of during pipeline abandonment and removal activities.

9. 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. A First Nations consultation adequacy assessment tool was used and it was determined that consultation with First Nations was not required. An Alberta Environment and Parks public lands temporary field authorization application is not necessary, as this work will occur within an existing disposition.

10. 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.

11. The Commission accepts ATCO's submission that the need for the project has arisen from the inline inspection results, which identified that the 219.1-millimetre Paddle River Transmission Pipeline has severe corrosion and metal loss concerns and that pipeline is no longer required for service. The Commission also accepts ATCO's submission that all customers on the 219.1-millimetre Paddle River Transmission Pipeline within the segment proposed to be abandoned are dually connected to the 273.1-millimetre Paddle River Transmission Loop Pipeline and would not be impacted by the proposed abandonment.

12. The Commission finds that the environmental information required for the project has been sufficiently addressed within the environmental protection plan. The Commission accepts ATCO's commitment to follow the recommendations presented in the environmental protection plan and also that a *Historical Resources Act* clearance is not required for this project.

13. 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.

14. 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 licences are attached.

Alberta Utilities Commission

(original signed by)

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

Attachments