

November 1, 2017

Decision 23016-D01-2017

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

Attention: Larry Karpo, P.Eng.
Manager, Compressor & Salt Caverns

**Blackfoot Compressor Removal
Licence 25935
Proceeding 23016
Application 23016-A001**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (ATCO), by Application 23016-A001 registered on October 11, 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* to remove a compressor installation, installation 009, near Blackfoot. 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 25935.
2. ATCO stated that the Blackfoot Compressor consists of one compressor unit and associated piping and equipment. It was installed in 2001 to deliver excess gas from the Lloydminster system onto the Ranfurly system. Producer receipts on this system have declined to the extent that the Lloydminster Transmission System is no longer oversupplied. In 2017, ATCO finalized its assessment of the Blackfoot Compressor and retired the asset from rate base. As part of its review, ATCO assessed the compressor package for potential re-use at other locations on the pipeline system, but no current or future need was identified. ATCO proposed to remove the compressor package and associated piping and vessels.
3. ATCO indicated that the estimated cost of the project is \$95,000. There is no third-party contribution associated with this project and there is no capital cost component for this work since it is 100 per cent removal. Salvage proceeds, if any, would be used to offset the cost of removal, to the customers' benefit.
4. ATCO filed a Phase 1 Environmental Site Assessment (ESA)¹ for the site in this proceeding. The ESA indicated that there are contaminants of potential concern present on the site, which may include petroleum hydrocarbons and glycol. Therefore, a Phase 2 ESA would be conducted in conjunction with the removal of the compressor to assess the presence of these potential contaminants and to recommend any remediation steps required. The soil and groundwater samples collected as part of the Phase 2 ESA would also be tested for

¹ Exhibit 23016-X0006, Phase 1 Environmental Site Assessment.

polychlorinated biphenyls and any associated toxic by-products (i.e., dioxins and furans), and for any harmful metals, such as lead and mercury, that may be present.

5. ATCO stated that it would not seek a reclamation certificate at this time because the site would continue to operate as an active overpressure protection station.

6. ATCO indicated that it would remediate any identified contaminants in accordance to appropriate remedial guideline values, either the *Alberta Tier 1 Soil and Groundwater Remediation Guidelines* or the *Alberta Tier 2 Soil and Groundwater Remediation Guidelines* if exposure pathways or ecological receptors can be eliminated in developing site-specific guidelines. In conjunction with the Phase 2 ESA, ATCO would evaluate and take measures including remediation and additional monitoring to ensure any identified contamination from the site does not migrate to surface water bodies or groundwater.

7. 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.

8. 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.

9. 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 within the 1.5-kilometre notification radius. Removal operations are planned to commence in November of 2017.

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 site, the resultant environmental impact of the work has been assessed with no significant impact identified. Any contaminant issues identified in the Phase 2 ESA will be assessed and monitored to mitigate any potential off-site migration. The landowners and occupants of the affected lands did not object to the project.

11. 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.

12. 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