

December 4, 2017

Decision 23112-D01-2017

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

Attention: Alex Burnside, P. Eng.
Project Engineer, Operations Engineering

**Removal and Replacement of Two Sections of the Grande Prairie Transmission Pipeline
Licence 15123
Proceeding 23112
Application 23112-A001**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (ATCO), by Application 23112-A001 registered on November 17, 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 Grande Prairie:

- splitting line 14 into lines 14, 38 and 39
- splitting line 28 into lines 28, 40 and 41
- removal of lines 38 and 40
- addition of newly constructed pipeline (line 42 – 1.38 kilometres of 219.1-millimetre outside-diameter pipeline)
- addition of newly constructed pipeline (line 43 – 0.17 kilometres of 219.1-millimetre outside-diameter pipeline)
- lines 14, 39, 28 and 41 are to remain in operation

2. The proposed work is related to the minor removal and replacement of existing pipe, previously constructed and operating in accordance with approvals granted in Licence 15123.

3. In response to a request from Alberta Transportation, ATCO proposed to install a 1,380-metre long 219.1-millimetre outside-diameter pipeline segment, line 42, in a new alignment and would remove 1,380 metres of existing 219.1-millimetre outside-diameter pipe, line 38. ATCO also proposed to install a 170-metre long 219.1-millimetre outside-diameter pipeline segment, line 43, in a new alignment and remove 170 metres of existing 219.1-millimetre outside-diameter pipe, line 40. The proposed work is part of a pipeline relocation and replacement to accommodate proposed upgrades to highways 43 and 43X. The installation would be completed using a combination of horizontal directional drilling and open trenching. The line splits and pipeline installation would be completed on public and private lands.

4. ATCO stated that the total project cost is estimated at \$3,500,000. This includes capital costs of \$3,150,000 and removal costs of \$350,000. Alberta Transportation would reimburse ATCO for the entire cost of the project. No new operational costs are forecast as a result of the project. The breakdown of costs for the additions is as follows:¹

(\$000)	Engineering	Materials	Land	Construction	AFUDC*	Total
2017	155	250	60	100	18	583
2018	10	40	10	2,489	18	2,567
Total	165	290	70	2,589	36	3,150

* Allowance for Funds Used During Construction

5. ATCO has developed an environmental evaluation report² for this project. The Commission accepts ATCO's statement that it would implement all recommendations included within the environmental evaluation report. ATCO indicated that 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. The pipeline would be tested for liquids prior to removal and any liquids found would be removed and properly disposed of. If stockpiling of materials is required, the topsoil would be stripped and stored, and all surface disturbances would be backfilled with appropriate material to restore topsoil depth, texture, and till that is consistent with pre-disturbance cover. 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 would be scheduled to start in January or February of 2018.

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 Alberta Transportation contribution. ATCO has provided information respecting the need, nature and extent of the project. Since the project involves limited ground disturbance, 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 23112-X0003, Business Case.

² Exhibit 23112-X0002, Environmental Evaluation Report.

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