

February 6, 2018

Decision 23276-D02-2018

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

Attention: Konstantin Kaindl, EIT
Project Engineer, Pipelines Engineering

**Relocations of Sections of the Priddis Transmission Pipeline
Licence 19521
Proceeding 23276
Application 23276-A001**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (ATCO), by Application 23276-A001 registered on January 19, 2018, 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 in the city of Calgary:

- splitting line 1 into lines 1, 6, 7 and 8
- splitting line 5 into lines 5, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19
- splitting line 4 into lines 4 and 20
- removal of lines 4, 5, 6, 8, 10, 12, 14, 16 and 18
- length amendment of original line 5
- lines 7, 9 and 17 are to be abandoned in place and then recorded as abandoned under a subsequent application
- addition of newly constructed pipeline (line 21 – 0.53 kilometres of 406.4-millimetre outside diameter pipeline)
- addition of newly constructed pipeline (line 22 – 0.22 kilometres of 406.4-millimetre outside diameter pipeline)
- addition of newly constructed pipeline (line 23 – 0.75 kilometres of 406.4-millimetre outside diameter pipeline)
- addition of newly constructed pipeline (line 24 – 0.77 kilometres of 406.4-millimetre outside diameter pipeline)
- addition of newly constructed pipeline (line 25 – 0.45 kilometres of 406.4-millimetre outside diameter pipeline)
- addition of newly constructed pipeline (line 26 – 0.93 kilometres of 406.4-millimetre outside diameter pipeline)

2. The proposed work is related to the minor splits, removals and replacements of sections of the existing pipeline, previously constructed and operating in accordance with approvals granted in Licence 19521.

3. ATCO proposed to relocate sections of the existing 406.4-millimetre Priddis Transmission Pipeline to accommodate construction of the southwest Calgary ring road, located within Calgary’s transportation utility corridor as requested by KGL Constructors. Four sites along the existing 406.4-millimetre Priddis Transmission Pipeline were identified to be in conflict with the proposed road plans for the southwest Calgary ring road; the Highway 22X interchange, the crossing of Spruce Meadows Way, the crossing of Sheriff King Drive, and the crossing of Macleod Trail. At all sites, a new pipeline would be installed in a new alignment and the majority of the existing pipeline would be removed.

4. ATCO stated that the scope of work at the Highway 22X interchange includes the installation of 1,500 metres of new 406.4-millimetre pipeline, lines 21, 22 and 23, removal of 1,190 metres of existing 406.4-millimetre pipeline, lines 5, 6, 8 and 10, removal of 100 metres of existing 219.1-millimetre pipeline and abandonment of 60 metres of existing 406.4-millimetre pipeline, lines 7 and 9. The scope of work at the crossing of Spruce Meadows Way includes the installation of 770 metres of new 406.4-millimetre pipeline, line 24, and removal of 670 metres of existing 406.4-millimetre pipeline, line 12. The scope of work at the crossing of Sheriff King Drive includes the installation of 450 metres of new 406.4-millimetre pipeline, line 25, and removal of 430 metres of existing 406.4-millimetre pipeline, line 14. The scope of work at the crossing of Macleod Trail includes the installation of 930 metres of new 406.4-millimetre pipeline, line 26, removal of 740 metres of existing 406.4-millimetre pipeline, lines 16 and 18, and abandonment of 50 metres of existing 406.4-millimetre pipeline, line 17. All installations would be completed using a combination of horizontal directional drilling and open trenching. The proposed projects would be completed within the Calgary transportation utility corridor.

5. ATCO stated that the total project cost is estimated at \$9,300,000. This includes capital costs of \$8,835,000 and removal costs of \$465,000. KGL Constructors 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 is as follows:¹

(\$000)	Engineering	Materials	Land	Construction	AFUDC*	Total
2017	390	975	5	0	88	1,458
2018	168	513	88	7,073	0	7,842

* Allowance for Funds Used During Construction

6. ATCO retained CH2M HILL Energy Canada Ltd. to prepare a pre-construction site assessment and environmental protection plan² for the project. The Commission accepts ATCO’s statement that it would implement all recommendations included within the environmental protection plan. ATCO indicated that the proposed replacement pipeline segments are located on lands with a designated Historical Resource Value of 5a based on the Listing of Historic Resources (ACT, 2017), and require a *Historical Resources Act* clearance from Alberta Culture

¹ Exhibit 23276-X0009, Business Case.

² Exhibit 23276-X0010 and Exhibit 23276-X0011, Pre-Construction Site Assessment and Environmental Protection Plan.

and Tourism. An application for *Historical Resources Act* clearance was submitted to Alberta Culture and Tourism on September 6, 2017, and approval was granted on September 26, 2017.

7. ATCO stated that the pipeline segments 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 pipeline installations and removals are complete, ATCO would restore the right-of-way to the developer's requirements.

8. ATCO stated that consultation for this work was completed in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines*. Construction of this project is scheduled to commence in April or May of 2018.

9. With respect to development in the transportation utility corridor, Section 4(2) of the *Calgary Restricted Development Area Regulations* states:

No Minister of the Crown, government official or government agency shall, without the written consent of the Minister of Infrastructure, exercise any power under the *Municipal Government Act*, *The Pipeline Act, 1975*, the *Water Resources Act* or any other Act to order, authorize, approve, permit or consent to any operation or activity that causes, is likely to cause or will cause a surface disturbance of any land in the Area, or issue or cause to be issued any order, authorization, approval, permit, licence or consent instrument for that purpose.

10. ATCO indicated that it received a letter from Alberta Infrastructure³ stating that it has no objections to the project and that ministerial consent for the project within the transportation utility corridor would be issued subsequent to Commission approval.

11. ATCO has provided information respecting the need, nature and extent of the project. Since the project involves moderate ground disturbance within the transportation utility corridor, the resultant environmental impact of the work has been assessed with no significant impact identified.

12. The Commission accepts ATCO's submission that the need for the project has arisen from a request from KGL Constructors to accommodate the construction of the southwest Calgary ring road and that the full cost of the project will be borne by KGL Constructors.

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.

³ Exhibit 23276-X0032 and Exhibit 23276-X0033, MCC Letter of Non-Objection.

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 licence will be issued after the Commission receives ministerial consent indicating that Alberta Infrastructure has issued approval to ATCO for the proposed work within the transportation utility corridor.

Alberta Utilities Commission

(original signed by)

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