



ATCO Gas and Pipelines Ltd.

Lloydminster Transmission Loop Pipeline

February 21, 2018

Alberta Utilities Commission

Decision 23127-D01-2018

ATCO Gas and Pipelines Ltd.

Lloydminster Transmission Loop Pipeline

Proceeding 23127

Application 23127-A001

February 21, 2018

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1 Decision summary

1. In this decision, the Alberta Utilities Commission must decide whether it is in the public interest to approve an application by ATCO Gas and Pipelines Ltd. to construct the Lloydminster Transmission Loop Pipeline. After consideration of the record of the proceeding, and for the reasons outlined in this decision, the Commission finds that approval of the proposed project is in the public interest, having regard to the social and economic effects of the proposed project, including its effects on the environment.

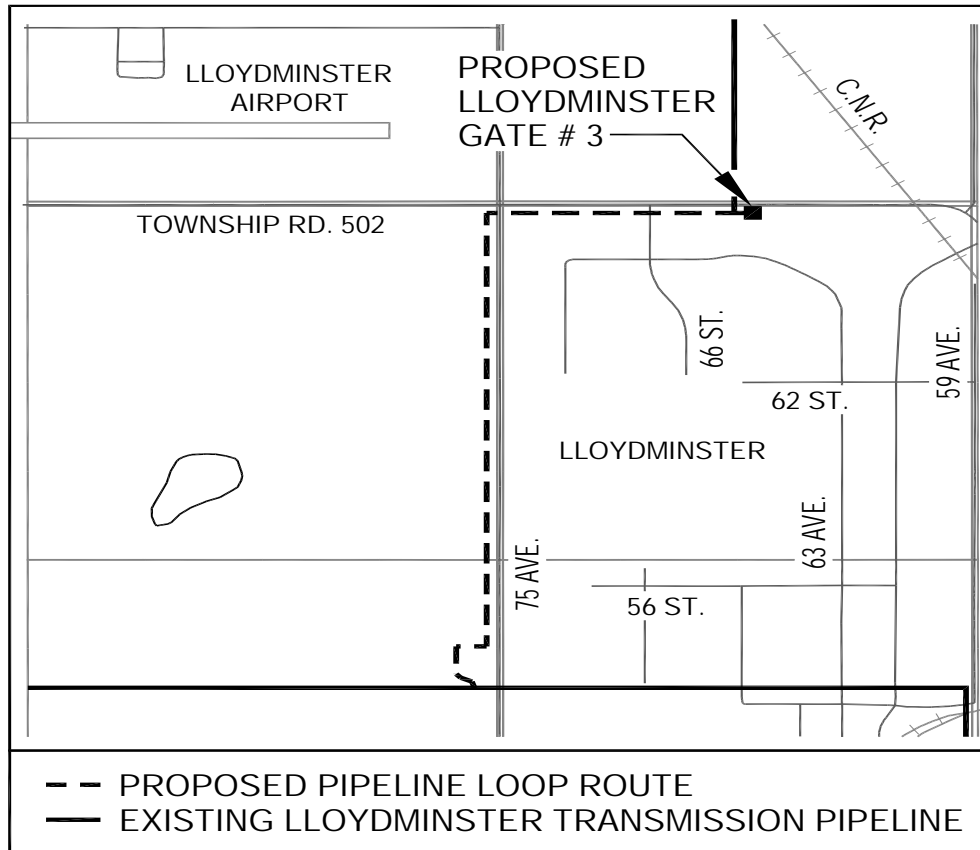
2 Introduction

2. ATCO Gas and Pipelines Ltd. (ATCO) filed an application with the Alberta Utilities Commission seeking approval for an amendment to Licence 1910, pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, to construct the Lloydminster Transmission Loop Pipeline (the project) located in the Lloydminster area. The proposed project consists of the following:

- The addition of a newly constructed pipeline (line 41 – 0.05 kilometres of 88.9-millimetre outside-diameter pipeline).
- The addition of a newly constructed pipeline (lines 42 to 48 – 3.18 kilometres of 114.3-millimetre outside-diameter pipeline).
- The addition of a gate station, the Lloydminster Gate #3 Station.
- Above-ground valve assemblies at the endpoints of the new pipeline.

3. ATCO Gas submitted an application for service to NOVA Gas Transmission Ltd. (NGTL) requesting incremental firm transportation delivery service of 6,086 gigajoules per day at a new gate station in Lloydminster. ATCO Gas has contracted for up to 8,226 gigajoules per day for peak demand by the winter of 2018-2019 and provided a 20-year demand forecast of 16,243 gigajoules per day. In order to meet the 20-year demand at the proposed Lloydminster Gate #3 Station, the existing 88.9-millimetre Lloydminster Transmission Pipeline requires looping by ATCO Pipelines with approximately three kilometres of 114.3-millimetre pipe under the integration agreement between ATCO Pipelines and NGTL. Construction is scheduled to start in February of 2018. The applied-for project is shown in the figure below.

Lloydminster Loop Transmission Pipeline



3 Background

4. In Proceeding 3577, ATCO Pipelines 2015-2016 General Rate Application (GRA), ATCO requested approval of its 2015 and 2016 revenue requirements, which included provision for capital expenditures to install the Lloydminster Transmission Loop Pipeline and Lloydminster Gate #3 Station. In the business case it filed in Proceeding 3577, ATCO outlined the need to install the Lloydminster Transmission Loop Pipeline and Lloydminster Gate #3 Station, describing why the project was necessary, the two alternatives it considered, and how it reached the conclusion that the proposed Lloydminster Transmission Loop Pipeline and Lloydminster Gate #3 Station was the best alternative.¹

5. The Commission assessed and approved the need for the Lloydminster Transmission Loop Pipeline and Lloydminster Gate #3 Station in Decision 3577-D01-2016.²

¹ Exhibit 0002.00.ATCOPIPE-3577 - 7.2 Attachment, Lloydminster Gate #3 and Looping – Business Case, PDF pages 19-21.

² Decision 3577-D01-2016: ATCO Pipelines 2015-2016 General Rate Application, Proceeding 3577, February 29, 2016.

4 Change in cost and length of proposed pipeline from the business case

6. ATCO stated that the project need remains the same as stated in the business case; however, minor changes to the business case are as follows:

- The pipeline route has changed slightly and is now proposed to start in Legal Subdivision 9, Section 3, Township 50, Range 1, west of the Fourth Meridian. This is a result of landowner concerns with the previous pipeline route. The pipeline would still end in Legal Subdivision 15, Section 11, Township 50, Range 1, west of the Fourth Meridian.
- Total length of the 114.3-millimetre pipeline was revised from three kilometres to 3.18 kilometres. An additional 50 metres of 88.9-millimetre pipeline will be installed to tie-in Lloydminster Gate #3 to the existing 88.9-millimetre Lloydminster Transmission Pipeline. This is a result of a minor change to the location of the Lloydminster Gate #3 Station.
- A stand-alone measurement station installed by ATCO Pipelines is no longer required for this project. Instead, a meter is proposed to be installed inside the ATCO Gas Gate #3 distribution station.

7. Costs were further updated in ATCO Pipelines' 2017-2018 GRA, Proceeding 22011³ and approved in Decision 22011-D01-2017.⁴

5 Commission process

8. The Commission issued a notice of application on November 30, 2017, indicating a deadline of December 22, 2017, for filing submissions to express objections to, concerns about, or support for, the application. The notice was sent directly to all landowners, occupants and residents along the proposed route, and was advertised in the Lloydminster Meridian Booster and the Lloydminster Source. The Commission extended the deadline for submissions until January 25, 2018, for parties who did not receive the original notice. No submissions were received by the January 25, 2018 submission deadline.

9. The Commission issued information requests to ATCO on December 11, 2017. ATCO responded to the requests on December 22, 2017. The Commission issued another round of information requests to ATCO on January 4, 2018. ATCO responded to those requests on January 19, 2018.

6 Environmental assessment

10. ATCO retained Millennium EMS Solutions Ltd. to complete a pre-construction site assessment and environmental protection plan⁵ for this project. ATCO committed to implement

³ Exhibit 22011-X0005, ATCO Pipelines 2017-2018 General Rate Application, PDF page 73.

⁴ Decision 22011-D01-2017: ATCO Pipelines 2017-2018 General Rate Application, Proceeding 22011, August 29, 2017.

⁵ Exhibit 23127-X0002, Pre-construction Site Assessment and Environmental Protection Plan.

all recommendations included within the environmental protection plan. ATCO also confirmed that it would comply with the code of practice in accordance with the *Water Act* for all watercourse, wetland and drainage crossings.

11. ATCO stated that a historic resources impact assessment is not required for the proposed project since the proposed work area is not referenced in the latest edition of Alberta Culture and Tourism's listing of historic resources.

12. ATCO proposed to install the Lloydminster Gate #3 Station at Legal Subdivision 15, Section 11, Township 50, Range 1, west of the Fourth Meridian. A noise impact assessment⁶ demonstrated that noise mitigation would not be required at the site and that the station meets the requirements of Rule 012: *Noise Control*.

7 Consultation

13. ATCO stated that it has completed consultation and notification for the project in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines*. Confirmation of non-objection with directly and adversely affected landowners has been obtained.

8 Findings

14. When deciding whether approval of the proposed facilities is in the public interest, the Commission is required by Section 17 of the *Alberta Utilities Commission Act* to have regard for the project's social and economic effects and its effects on the environment.

15. The Commission has reviewed the application and has determined that it meets the information requirements of Rule 020, including public involvement and consultation. The Commission accepts ATCO's confirmation that a participant involvement program has been conducted and that there are no outstanding public or industry objections or concerns. Further, the Commission notes there were no submissions in response to the notice of application.

16. The Commission is satisfied with ATCO's commitment to comply with the code of practice in accordance with the *Water Act* for all watercourse, drainage and wetland crossings. The Commission also accepts that a historic resources impact assessment is not required for the proposed project since the proposed work area is not referenced in the latest edition of Alberta Culture and Tourism's listing of historic resources.

17. The Commission finds that the environmental information required for the project has been sufficiently addressed within the environmental protection plan, and accepts ATCO's statement that it would implement all recommendations included within the environmental protection plan.

18. The Commission also finds that noise-related information in the application submitted by ATCO fulfills the requirements of Rule 012: *Noise Control*.

⁶ Exhibit 23127-X0003, Lloydminster Gate 3 Station NIA.

19. The Commission accepts ATCO's assessment that additional pipeline length is required to address landowners' concerns and, consequently, results in a revised capital cost. The Commission considers that the changes to the approved business case are minor in nature, and is satisfied that those changes are reasonable and that the project remains the preferred alternative.

20. The Commission finds that the proposed Lloydminster Transmission Loop Pipeline would supplement the supply from the existing Lloydminster Transmission System and meet the current and future contractual demands.

21. Based on the foregoing, the Commission considers the project to be in the public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*.

9 Decision

22. Pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, the Commission approves the Lloydminster Transmission Loop Pipeline and grants ATCO the amended licence, as set out in Appendix 1 – Gas Utility Pipeline Licence 1910 – February 21, 2018 (Appendix 1 will be distributed separately).

Dated on February 21, 2018.

Alberta Utilities Commission

(original signed by)

Henry van Egteren
Commission Member