

February 23, 2018

Decision 23272-D01-2018

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

Attention: Dalton Schwab, E.I.T.
Project Engineer, Pipelines Engineering

**Removal of Sections of the Jumping Pound Transmission Pipeline
Licences 1951 and 1952
Proceeding 23272
Applications 23272-A001 and 23272-A002**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (ATCO), by applications 23272-A001 and 23272-A002 registered on January 18, 2018, filed applications with the Alberta Utilities Commission under Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act* for the following:

Pertaining to Licence 1951:

- removal of line 15

Pertaining to Licence 1952:

- splitting line 33 into lines 33, 89 and 90
- splitting line 38 into lines 38 and 91
- removal of lines 90 and 38
- length amendment of original line 33 from 1.81 kilometres to 1.71 kilometres
- length amendment of original line 38 from six kilometres to 6.33 kilometres
- line 89 is to be abandoned in place and then recorded as abandoned under a subsequent application

2. The proposed work is related to the minor split, removal and record amendments with respect to existing pipe, within the original right-of-way, previously constructed and operating in accordance with approvals granted in licences 1951 and 1952.

3. ATCO proposed to remove sections of the existing 323.9-millimetre (mm) and 406.4-mm Jumping Pound Transmission Pipeline to accommodate construction of the Southwest Calgary Ring Road, located within Calgary's transportation utility corridor, as requested by KGL Constructors since these pipelines are in conflict with proposed road development.

4. ATCO stated that the sections of pipeline to be removed from service to accommodate the road construction can be undertaken without operational or system reliability issues. ATCO stated that connection of the recently constructed West Calgary Connector to the North Branch Line via the Sarcee Control Station will eliminate the need for the existing connection from the 323.9-mm Jumping Pound Transmission Pipeline to the North Branch Line.
5. ATCO submitted that because the 323.9-mm Jumping Pound Transmission Pipeline has bidirectional flow capability there would be no impact to any customers. Customers west of the abandoned/removed piping would continue to be supplied from the west. Customers east of the abandoned/removed piping would be supplied from the east. ATCO would be removing the pipeline from the area that is in conflict with the proposed Southwest Calgary Ring Road and abandoning the pipeline in place back to the nearest taps to eliminate any dead legs.
6. ATCO stated the total cost is estimated to be \$1,275,000 and the developer, KGL Constructors, would be responsible for 100 per cent of the project costs. The Commission accepts ATCO's assessment that the project meets the criteria for an abbreviated need project as per Rule 020: *Rules Respecting Gas Utility Pipelines*, Section 3.3, Table 3.1, because this is a removal project for an existing facility where the project is reimbursed under the terms of a third-party contribution, project costs are forecast at less than \$2,000,000 and there are no unresolved interested party objections or significant environmental impacts.
7. An environmental evaluation report has been developed for this project. All recommendations included in the environmental evaluation report would be implemented by ATCO. The pipeline would be tested for liquids prior to removal and any liquids found would be removed and properly disposed of.
8. 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* and industry best practices.
9. ATCO stated that consultation with landowners and occupants for this work was completed in accordance with Rule 020 and submitted that the landowners and occupants of the affected lands did not object to the project. Construction of the project is proposed to begin in spring 2018.
10. The Commission accepts ATCO's submission that the need for the project has arisen from a request by the road developer to accommodate a proposed land development and that the full cost of the project will be borne by the developer.
11. 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.

12. ATCO indicated that it received a letter from Alberta Infrastructure 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.¹

13. 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. The landowners and occupants of the affected lands did not object to the project.

14. 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.

15. The Commission approves the applications. In approving the applications, 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 applications, the costs incurred in carrying out these activities, or the associated rate implications. The amended licences 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

¹ Exhibit 23272-X0025 and Exhibit 23272-X0026.