

June 8, 2018

Decision 23389-D01-2018

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

Attention: Michelle Owokalu, P. Eng.
Project Engineer, UPR Conversions

**Cement Block Lateral Pipeline Split and Removal
Licence 4369
Proceeding 23389
Application 23389-A001**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (ATCO), by Application 23389-A001 registered on March 7, 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 Edmonton:

- splitting line 1 into lines 1, 3 and 4
- removal of line 1
- “To Location” facility code amendment of original line 1
- line 3 is to be abandoned in place and then recorded as abandoned under a subsequent application
- line 4 is to be converted to low-pressure and then deleted from the licence under a subsequent application

2. The proposed work is related to the minor split and removal of the existing pipeline, within the original right-of-way, previously constructed in accordance with approvals granted in Licence 4369.

3. The 88.9-millimetre Cement Block Lateral Pipeline is an ATCO Gas owned high-pressure pipeline. ATCO performs the operations and maintenance activities, reporting, and emergency response services for this pipeline on behalf of ATCO Gas under an affiliate agreement between ATCO and ATCO Gas. Due to flooding issues at a valve assembly, portions of the Cement Block Lateral are proposed to be removed from high-pressure service and another section is proposed to be converted to distribution pressure. ATCO stated that the pipeline has adequate capacity operating at the lower pressure. ATCO stated that the proposed approach will have a capital cost of \$240,000, rather than relocating the valve assembly at an estimated capital cost of \$400,000. The ATCO Gas cost to convert a portion of the 88.9-millimetre Cement Block Lateral Pipeline to low-pressure and abandon the remaining segment is estimated at \$200,000. ATCO’s associated Urban Pipeline Replacement cost to remove the connection to the 219-

millimetre mm North Edmonton Loop Pipeline is \$10,000. ATCO's cost to remove the connection to the 323.9-millimetre North Edmonton Loop Pipeline is \$30,000.

4. In this application, ATCO proposed to remove 810 metres of the 88.9-millimetre Cement Block Lateral Pipeline from high-pressure service by abandoning a 200 metre segment of the pipeline, line 3, in place; removing a 10-metre segment of the pipeline, line 1, and converting the remaining 600-metre segment of the pipeline, line 4, to a low-pressure distribution pipeline and transferring the operational responsibilities of line 4 to ATCO Gas. The 88.9-millimetre Cement Block Lateral Pipeline is currently connected to the 219.1-millimetre and 323.9-millimetre North Edmonton Loop pipelines and provides gas service to Paddle River #5 Farm Tap Unit and Edcon Block Delivery Station. This project is necessary due to drainage issues in the area wherein the valve assembly that connects the 88.9-millimetre Cement Block Lateral Pipeline to the North Edmonton Loop pipelines is flooded and inaccessible for much of the year.

5. ATCO retained Ecoventure Inc. to prepare an environmental protection plan¹ for the project. The Commission accepts ATCO's statement that it would implement all recommendations included within the environmental protection plan and 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. 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. A *Water Act* code of practice notification and wetland assessment and impact form were submitted to the Alberta Energy Regulator for this project on November 6, 2017.

6. ATCO stated that the sections of pipeline to be removed and abandoned would be tested for liquids and any liquids, if present, would be captured and disposed of prior to the removal or abandonment activity.

7. ATCO stated that notification was sent to landowners and occupants regarding this work in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines* in December of 2017. Construction of this project is scheduled to commence in the fourth quarter of 2018.

8. The Commission accepts 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.

9. The Commission accepts ATCO's submission that the need for the project has arisen due to drainage issues in the area and the valve assembly that connects the 88.9-millimetre Cement Block Lateral Pipeline to the North Edmonton Loop pipelines is flooded and inaccessible for much of the year, however, the Commission makes no finding with respect to the need associated with the ATCO Gas owned facilities in this application.

¹ Exhibit 23389-X0004 Environmental Protection Plan.

10. 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.

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