

July 26, 2018

Decision 23648-D01-2018

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

Attention: Jacqueline Fusco, E.I.T.
Project Engineer, Operations Engineering

**Removal of Portions of the Turner Valley Transmission Pipelines
Licences 1534 and 47944
Proceeding 23648
Applications 23648-A001 and 23648-A002**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (ATCO), by applications 23648-A001 and 23648-A002 registered on June 12, 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 1534:

- splitting line 26 into lines 26, 86 and 87
- splitting line 27 into lines 27 and 85
- splitting line 14 into lines 14, 88 and 89
- removal of lines 7, 26, 31, 82, 83 and 85
- length amendment of original line 14 from 2.44 kilometres to the revised length of 4.01 kilometres
- pipe type amendment of line 14 from UUUUUU to 5L
- pipe grade amendment of line 14 from UUUU to BW1
- line 27 is to remain abandoned in place
- lines 86 and 88 are to be abandoned in place and then recorded as abandoned under a subsequent application
- lines 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 25, 87 and 89 are to be converted to low-pressure service under a subsequent application

Pertaining to Licence 47944:

- splitting line 35 into lines 35 and 50
- removal of lines 6 and 50
- line 35 is to remain abandoned in place

2. The proposed work is related to minor splits and removals of sections of the existing pipeline, previously constructed and operating in accordance with approvals granted in licences 1534 and 47944.
3. In response to a request from KGL Constructors, ATCO, under project P25892, proposed to perform the following:
 - remove 560 metres of abandoned 114.3-millimetre outside-diameter pipeline, lines 6 and 50 of Licence 47944
 - remove 560 metres of abandoned 273.1-millimetre outside-diameter pipeline, lines 82, 83 and 85 of Licence 1534
 - remove 620 metres of currently operating 273.1-millimetre outside-diameter pipeline, lines 7, 26 and 31 of Licence 1534
4. This portion of the proposed work is to accommodate the proposed Southwest Calgary Ring Road civil road construction project at the Highway 22X and 24th Street crossing. The proposed work would be completed on public lands. The estimated cost of the project is \$600,000 and KGL Constructors would be responsible for 100 per cent of the project costs.
5. 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, as 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.
6. ATCO, under project P26103, also proposed to perform pipeline splits to accommodate the abandonment of lines 86 and 88 of Licence 1534 and transfer to low-pressure distribution service lines 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 25, 87 and 89 of Licence 1534 as part of the Urban Pipeline Replacement (UPR) project in the city of Calgary. ATCO stated that the proposed abandonment and transfer work would be submitted for approval under a subsequent application. Ministerial consent¹ was obtained for project P26103.
7. On January 17, 2014, the Commission approved the need for the UPR project in Decision 2014-010 (Errata).² ATCO stated that the pipeline sections listed for Licence 1534 were identified in the UPR application (Proceeding 1995) as pipelines to be removed from high-pressure service.
8. ATCO prepared an environmental evaluation report³ for the proposed project. The Commission accepts ATCO's statement that all recommendations included in the environmental evaluation report would be implemented. During construction it would ensure that KGL Constructors complies with the requirements of the *Guide for Pipelines Pursuant to the Environmental Protection and Enhancement Act and Regulations* and industry best practices.

¹ Exhibit 23648-X0007, Ministerial Consent, MCC18-008.

² Decision 2014-010 (Errata): ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd. – Urban Pipeline Replacement Project, Proceeding 1995, Application 1608617, January 17, 2014. Errata issued on February 21, 2014.

³ Exhibit 23648-X0019, Environmental Evaluation Report.

ATCO also stated that it would apply for and obtain a reclamation certificate for the removed pipeline as required by the *Environmental Protection and Enhancement Act* prior to discharging the right-of-way. The pipeline segment would be tested for liquids prior to removal and any liquids found would be removed and properly disposed of.

9. ATCO stated that consultation with landowners and occupants for this work has been completed in accordance with Rule 020. Confirmation of non-objection from directly and/or adversely affected landowners and occupants has been obtained. Construction of this project is scheduled to commence in the third quarter of 2018.

10. 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.

11. ATCO indicated that it received a letter from Alberta Infrastructure⁴ stating that it has no objections to the P25892 project and that ministerial consent for the project within the transportation utility corridor would be issued subsequent to Commission approval.

12. 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 limited impact identified. The landowners and occupants of the affected lands did not object to the project.

13. The Commission accepts ATCO's submission that the need for project P25892 has arisen from a request from KGL Constructors to accommodate the proposed Southwest Calgary Ring Road civil road construction project and that the full cost of the project will be borne by KGL Constructors.

14. The Commission accepts ATCO's commitment to obtain a reclamation certificate for the removed pipeline from Alberta Environment and Parks prior to discharging the right-of-way.

15. 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.

⁴ Exhibit 23648-X0005, MCC Letter of Non-Objection, MCC18-0001.

16. 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 P25892 project 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