

August 28, 2018

Decision 23733-D01-2018

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

Attention: Kim Klatchuk, P. Eng.
Senior Engineer, Natural Gas Transmission

**Athabasca River Channel Pipeline Removal and Replacement
Licence 3861
Proceeding 23733
Application 23733-A001**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (ATCO), by Application 23733-A001 registered on July 12, 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 within Woodlands County:

- splitting line 1 into lines 1 and 98
- splitting line 54 into lines 54 and 99
- removal of lines 98 and 99
- length amendment of original line 1 from 49.94 kilometres to the revised length of 49.57 kilometres
- length amendment of original line 54 from 1.20 kilometres to the revised length of 1.09 kilometres
- “From Location” legal subdivision and section amendments of line 54 from 03-23 to 14-14
- addition of newly constructed pipeline (line 100 – 0.35 kilometres of 323.9-millimetre outside diameter pipeline)
- lines 1 and 54 are to remain in operation

2. The proposed work relates to minor splits and removals of sections of existing pipelines and the replacement of one section of an existing pipeline, all within the original right-of-way. The pipelines were previously constructed and are operating in accordance with approvals granted in Licence 3861.

3. ATCO stated that the existing 323.9-millimetre outside diameter Swan Hills Transmission Pipeline has inadequate depth of cover where it crosses a side channel that formed on the west side of the Athabasca River. ATCO proposed to replace approximately 350 metres of the existing 323.9-millimetre outside diameter Swan Hills Transmission Pipeline crossing the Athabasca River channel, with a new 323.9-millimetre outside diameter pipeline, to meet depth of cover requirements specified in the *Pipelines Rules AR91/2005* pursuant to the *Pipeline Act*

and CSA Z662.15, Clause 4.11. The new pipeline, line 100, would be installed within the existing right-of-way by conventional open-cut installation method.

4. ATCO stated that the proposed construction activities in proximity to the main stream of the Athabasca River would not lead to an increased risk of further loss of pipeline cover. ATCO also stated that the segment of pipeline crossing the main stream of the Athabasca River was replaced in 2003 and that there are no concerns with the pipeline depth of cover on the west side of the main stream of the Athabasca River where the proposed construction activities are in close proximity. ATCO plans to limit the construction activities in proximity to the main stream of the Athabasca River as much as possible.

5. ATCO also stated that it considered other alternatives to address the depth of cover concern as follows:

- Adding material to the crossing. A river engineering design assessment was completed which included the review of river flow records, hydraulic data, historical flood information, desktop geotechnical assessment, historical survey data and historical aerial photos and satellite imagery. ATCO determined that the risk of future cut-off channel development was high and that adding more material is not a viable long-term solution. It is anticipated that the cut-off channel will experience further down cutting of the bed of the channel, as well as channel widening and meandering as the channel develops over time.
- Replacing the entire Athabasca River crossing. The main Athabasca River pipeline crossing was replaced in 2003 and as per the 2015 depth of cover survey, there are no concerns with the depth of cover at this location.
- Rerouting the pipeline to cross the Athabasca River at a different location. This alternative was only considered at a high level, as it was determined that this option may be feasible, and if it is, it would cost significantly more than the proposed project.
- ATCO also evaluated different methods of installation including conventional open-cut installation and various trenchless methods such as horizontal directional drilling and boring. Due to ground conditions, site layout and available working space, ATCO determined that a conventional open-cut installation method is the most feasible option.

6. ATCO stated the project was included under its depth-of-cover program, which was included in the ATCO Pipelines 2017-2018 general rate application and was approved in Decision 22011-D01-2017.¹ The estimated cost of the project is \$4,300,000. In the general rate application depth-of-cover program, ATCO Pipelines identified that it would be removing and replacing sections of pipeline that do not have sufficient depth of cover on various transmission systems across ATCO's network in order to maintain code compliance. The Commission accepts that the Athabasca River channel project falls within the need rationale associated with the general rate application business case.

¹ Decision 22011-D01-2017, ATCO Pipelines, 2017-2018 General Rate Application, Proceeding 22011, August 29, 2017, page 20, paragraph 51.

7. The Commission accepts ATCO's conclusion that replacing 350 metres of 323.9-millimetre outside diameter Swan Hills Transmission Pipeline is required to address the potential hazards associated with inadequate depth of cover as required in the *Pipeline Act* and CSA Z662.15.
8. ATCO retained CH2M Hill Energy Canada Ltd. to complete a pre-construction site assessment and environmental protection plan² and an aquatic assessment of fish and fish habitat³ for this project. The Commission accepts ATCO's statement that all recommendations included in the environmental protection plan and the aquatic assessment of fish and fish habitat would be implemented. ATCO also stated that the pipeline segments would be cleaned 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 topsoil is returned.
9. ATCO stated that a historical resources application was submitted to Alberta Culture and Tourism for approval and the *Historical Resources Act* approval⁴ was received on November 21, 2017. ATCO also indicated that a *Navigation Protection Act* approval⁵ was received from Transport Canada on September 12, 2017.
10. Code of Practice notification⁶ for pipelines crossing a water body was submitted to the Alberta Energy Regulator on May 11, 2018, in accordance with the *Water Act*. ATCO also stated that it received a pipeline agreement on December 15, 2017, and a temporary field authorization on April 24, 2018, from the Alberta Energy Regulator pursuant to the *Public Lands Act*.
11. ATCO stated that at the location of the pipeline crossing, the Athabasca River is designated as a Class C water body with a restricted activity period (RAP) of September 1 to June 30. Construction of the new crossing and removal of the existing crossing is proposed to be completed between October 2018 and January 2019, within the RAP, thereby requiring additional mitigation measures that have been developed by a qualified aquatic environmental specialist and incorporated into the environmental protection plan. The project is also located within the Key Wildlife Biodiversity Zone associated with the Athabasca River, with a RAP of January 15 to April 30. All vegetation clearing activities and pipeline installation work is planned to be completed between October 1 and January 15, outside of the RAP. Clean-up activities may be required to extend past January 15, into the RAP. As per the environmental protection plan, ATCO will conduct a wildlife survey prior to commencing any construction activities.
12. ATCO stated that consultation with landowners, occupants and stakeholders for this work has been completed in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines*. The consultation included the Indigenous people and the Aboriginal Consultation Office deemed the consultation adequate on October 3, 2017. Construction of this project is scheduled to commence in October of 2018.

² Exhibit 23733-X0008, Pre-construction Site Assessment and Environmental Protection Plan.

³ Exhibit 23733-X0009, Aquatic Assessment of Fish and Fish Habitat Report.

⁴ Exhibit 23733-X0007, Historical Resources Act Approval.

⁵ Exhibit 23733-X0006, Navigation Protection Act Approval.

⁶ Exhibit 23733-X0005, Code of Practice Notification.

13. ATCO has provided information respecting the need, nature and extent of the project. Because the project involves limited ground disturbance and is within the original right-of-way, ATCO assessed the resultant environmental impact of the work as limited. 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 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