

September 20, 2018

**Decision 23876-D01-2018**

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

Attention: Sydney Smith, P. Eng.  
Project Engineer, Pipelines Engineering

**Legal Uncas Transmission Pipeline Removal  
Licence 32196  
Proceeding 23876  
Application 23876-A001**

**Minor pipeline project application**

1. ATCO Gas and Pipelines Ltd. (ATCO), by Application 23876-A001 registered on September 4, 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 Sturgeon County:
  - removal of line 3
  - pipe grade amendment of lines 2 and 3 from 290 1 to 359 1
2. The proposed work is related to the removal of a previously abandoned pipeline, within the original right-of-way, previously constructed in accordance with approvals granted in Licence 32196.
3. ATCO stated that in order to facilitate the in-line inspection (ILI) of the 323.9-millimetre outside-diameter Legal Uncas Transmission Pipeline, a new valve assembly is required at the tie-in location of the 323.9-millimetre pipeline with the 168.3-millimetre Manawan Lake Lateral Pipeline and the 114.3-millimetre Legal Uncas Transmission Pipeline. ATCO proposed to remove approximately 40 metres of abandoned 168.3-millimetre outside-diameter pipeline to accommodate the valve assembly installation within the existing surface lease area. ATCO plans to perform the pipeline removal as part of the valve assembly upgrade project. The estimated total cost of the project is \$1.2 million, which includes an estimated removal cost of \$50,000. ATCO would be responsible for 100 per cent of the total project costs.
4. ATCO stated the need for this project was demonstrated within the business case<sup>1</sup> for the ILI program, which was included in the ATCO Pipelines 2019-2020 general rate application.<sup>2</sup> In the ILI program business case, ATCO identified that it is required by Canadian Standards Association (CSA) Standard Z662-15, Section 3.2 and Annex N, to have a pipeline integrity management program that addresses the life cycle of the pipeline system. Section 10.3 of CSA Z662-15 specifies that the integrity management program shall include procedures to

<sup>1</sup> Exhibit 23876-X0002, In-line Inspection Program - Business Case.

<sup>2</sup> Proceeding 23793, ATCO Pipelines 2019-2020 General Rate Application.

monitor for conditions that can lead to failures, to eliminate or mitigate such conditions, and to manage integrity data. ATCO explained that ILI is a proactive inspection method that has become the industry standard method for gathering pipeline information in the most effective and efficient manner for monitoring and ensuring the long-term integrity of a pipeline. With the majority of ATCO's pipeline system constructed prior to the advent of ILI technology, upgrading pipelines to accommodate ILI is necessary first, in order to conduct the ILI.

5. ATCO prepared an environmental evaluation report<sup>3</sup> for the proposed project. The Commission accepts ATCO's statement that all recommendations included in the environmental evaluation report would be implemented. Specifically, 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. ATCO also stated that the pipeline would be tested for liquids 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 the topsoil is returned.

6. ATCO stated that consultation with landowners and occupants for this work has been completed in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines*. Confirmation of non-objection from directly and adversely affected landowners and occupants has been obtained. Construction of this project is scheduled to commence in October of 2018.

7. The Commission accepts that the valve assembly upgrade project falls within the need rationale associated with the general rate application business case and accepts ATCO's explanation of the need for the valve installation and associated pipe removal at this specific site.

8. 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.

9. Based upon the information provided, the Commission is satisfied that the proposal is of a minor nature, no person will be directly and adversely affected by the proposal, and no significant adverse environmental impact is likely to be caused by the proposed project.

10. The Commission approves the application. In approving the application, however, the Commission makes no determination regarding the final 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

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<sup>3</sup> Exhibit 23876-X0005, Environmental Evaluation Report.