



ATCO Gas and Pipelines Ltd.

South Edmonton Connector Project

October 11, 2018

Alberta Utilities Commission

Decision 23825-D01-2018

ATCO Gas and Pipelines Ltd.

South Edmonton Connector Project

Proceeding 23825

Applications 23825-A001 to 23825-A003

October 11, 2018

Published by the:

Alberta Utilities Commission

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1 Decision summary

1. In this decision, the Alberta Utilities Commission must decide whether to approve applications from ATCO Gas and Pipelines Ltd. for amendments to licences 102, 15440 and 37844 for the addition of a new 4.27-kilometre long, 406.4-millimetre outside diameter pipeline; and for four short lateral pipelines extending from the existing Golden Spike Transmission Pipelines connecting into the existing South Edmonton Control Station, which together are referred to as the South Edmonton Connector Project. After consideration of the record of the proceeding, and for the reasons outlined in this decision, the Commission finds that approval of the project is in the public interest having regard to the social, economic, and other effects of the applications, including effects on the environment.

2 Introduction and background

2. ATCO Gas and Pipelines Ltd. (ATCO) filed applications 23825-A001, 23825-A002 and 23825-A003 with the Alberta Utilities Commission on August 15, 2018, seeking approval for amendments to licences 102, 15440 and 37844, pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, to construct the South Edmonton Connector Project (SEC Project). The SEC Project involves replacing line 52 of the Pembina Transmission Pipeline and installing lateral pipelines to interconnect the existing 219.1 millimetre (mm) and 323.9-mm Golden Spike Transmission Pipelines to the South Edmonton Control Station. These interconnecting pipelines would facilitate flow to the 50th Street Gate Station after removal of the Pembina Transmission Pipeline. The pipelines to be constructed would be as follows:

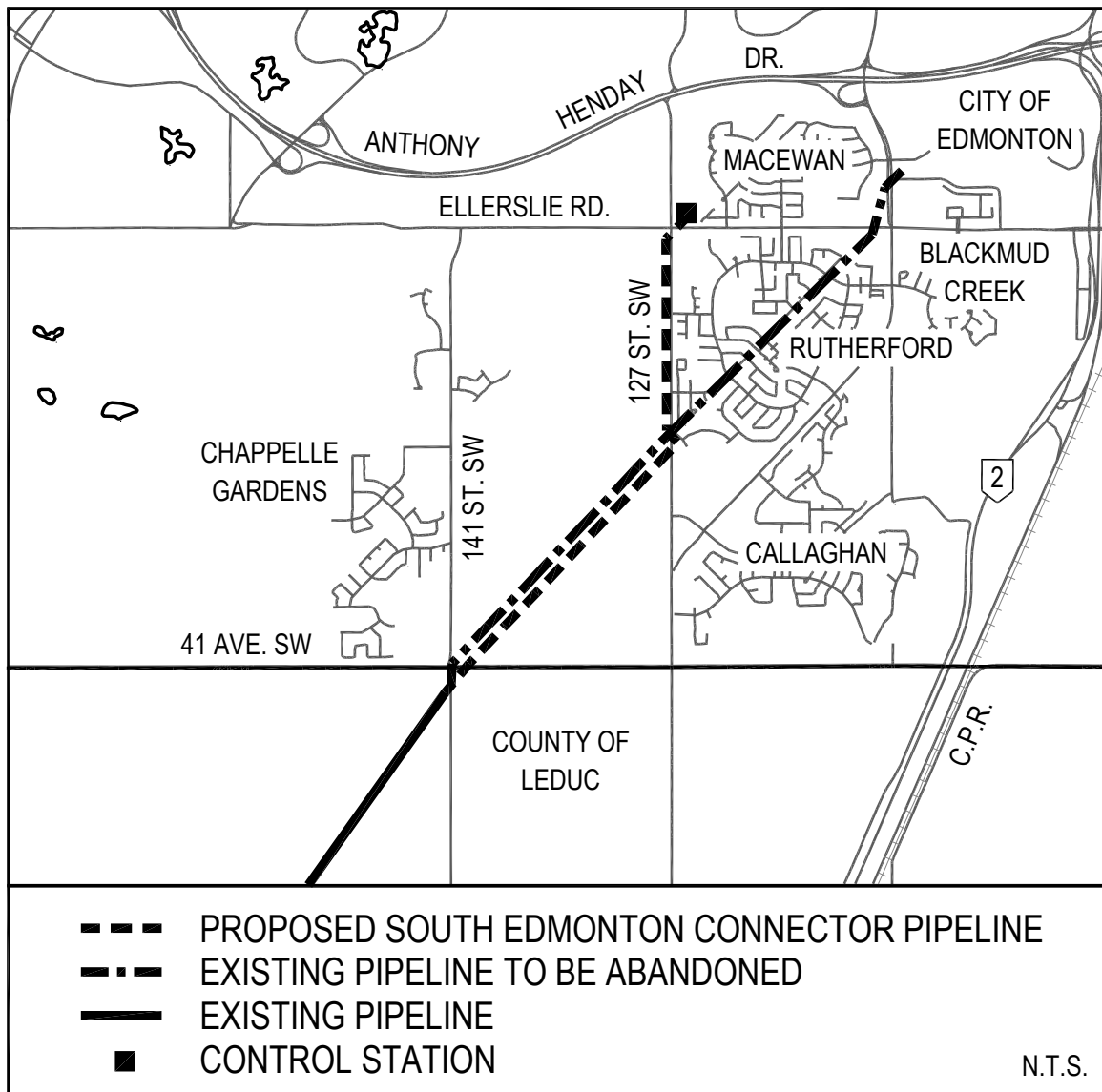
- line 54 - 4.27 kilometres (km) of 406.4-mm outside-diameter (OD) pipeline, (South Edmonton Connector)
- line 14 - 0.05-km of 219.1-mm OD pipeline (Golden Spike Lateral)
- line 15 - 0.05-km of 219.1-mm OD pipeline (Golden Spike Lateral)
- line 33 - 0.05-km of 323.9-mm OD pipeline (Golden Spike Lateral)
- line 34 - 0.05-km of 323.9-mm OD pipeline (Golden Spike Lateral)

3. Along with the new pipelines, an additional control building and associated valve assemblies within the existing South Edmonton Control Station are also part of the applications.

4. ATCO previously identified pipeline replacement projects in Edmonton and Calgary designed to rebuild existing pipelines and generally place them within the Edmonton and Calgary transportation utility corridors (TUCs). ATCO referred to the projects collectively as the

Urban Pipeline Replacement Project (UPR Project). The Commission approved the need for ATCO’s UPR Project application in Decision 2014-010 (Errata).¹ A portion of the Pembina Transmission Pipeline falls under the UPR Project and has been targeted for replacement in October 2018. ATCO proposed to replace its existing 406.4-mm section of the Pembina Transmission Pipeline with line 54, forming a new 4.27-km long, 406.4-mm OD pipeline. ATCO intends to submit an application for the abandonment of the replaced section of pipeline after the new pipeline is installed. The figure below illustrates the route of the SEC pipeline.

South Edmonton Connector Pipeline



¹ Decision 2014-010 (Errata): ATCO Pipelines, a division of ATCO Gas and Pipelines Ltd. Errata to Decision 2014-010 – Urban Pipeline Replacement Project. Application 1608617, Proceeding 1995, February 21, 2014.

5. Two 100-metre long, 219.1-mm pipelines, lines 14 and 15; and two 100-metre long, 323.9-mm pipelines, lines 33 and 34, are proposed to connect the existing Golden Spike Transmission Pipelines to accommodate the new 50th Street Gate Station.

6. A notice of application was issued by the Commission on August 27, 2018, indicating a deadline of September 26, 2018, for filing submissions to express objections, concerns or support with respect to the applications. No submissions were received.

3 Project need

7. ATCO stated that the South Edmonton Connector is part of its UPR Project. The need for the SEC Project was addressed in Decision 2014-010 (Errata) as part of 12 individual pipeline projects: four in Edmonton and eight in Calgary. All of these involved the construction of new high-pressure pipelines within TUCs to replace aging infrastructure and to meet the 20-year demand for natural gas. In Decision 2014-010 (Errata), the Commission found that ATCO had demonstrated a need to relocate the Edmonton and Calgary systems and it was satisfied that approval of the UPR Project was the best alternative to address that need.

4 Environmental assessment

8. ATCO retained CH2M Hill Energy Canada Ltd. to conduct a pre-construction site assessment and develop an environmental protection plan (EPP).² ATCO stated that it would ensure that all recommendations in the EPP are implemented throughout the SEC Project. ATCO received *Historical Resources Act* clearance for the SEC Project on August 3, 2017. ATCO also 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* (Alberta Environmental Protection, 1994) and industry best practices. Any liquids contained in the Pembina Transmission Pipeline segment to be abandoned would be captured and properly disposed of prior to the abandonment.

9. ATCO retained ACI Acoustical Consultants Inc. to conduct an environmental noise impact assessment for the South Edmonton Control Station Phase II.³ ATCO stated that noise levels would be in compliance with Rule 012: *Noise Control*.

5 Consultation

10. ATCO stated that it completed a consultation and notification program for the SEC Project in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines*. Public consultation began in the fourth quarter of 2017 with notification mailed to all residents within 200 metres of the SEC Project on November 8, 2017. Further notification was given at an open house held on November 28, 2017. The invitations to attend the open house were distributed to all residents within 200 metres of the SEC Project and via advertisements in the

² Exhibit 23825-X0006, Pre-Construction Site Assessment and Environmental Protection Plan for ATCO Pipelines – South Edmonton Connector.

³ Exhibit 23825-X0007, Environmental Noise Impact Assessment for the Proposed South Edmonton Control Station Phase II.

Edmonton Journal and Edmonton Sun on November 21, 2017. The program also included personal consultation with all landowners, occupants and residents on or directly adjacent to the proposed pipelines. Confirmation of non-objection was obtained from directly affected landowners throughout the consultation period.

11. ATCO completed consultation with Alberta Infrastructure with regard to the SEC Project, including the pipeline alignment within Alberta Infrastructure-held, non-TUC lands (known as the Ellerslie Research Lands) and an expansion of the existing South Edmonton Control Station within the TUC at 127th Street and Ellerslie Road. On June 8, 2018, letters of non-objection were provided by Alberta Infrastructure for the SEC Project.^{4,5}

12. ATCO completed consultation with the City of Edmonton with regard to the SEC Project's alignment through lands that the City of Edmonton holds. On May 28, 2018, confirmation of non-objection was obtained from the City of Edmonton. ATCO distributed notifications to all operators of licenced pipelines or wells within five kilometres of the proposed pipelines on October 6, 2017, by courier and confirmed there are no outstanding concerns or objections.

13. With respect to development in the Edmonton TUC, Section 4(2) of the *Edmonton 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 *Pipe Line Act* [now the *Pipeline Act*], the *Water Resources Act* [now the *Water 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.

6 Findings

14. The Commission assessed and approved the need for the SEC Project in Decision 2014-010 (Errata).

15. When deciding whether approval of the SEC Project is in the public interest, the Commission is required by Section 17 of the *Alberta Utilities Commission Act* to have regard for the project's social and economic effects and its effects on the environment.

16. The Commission has determined that the applications meet the information requirements of Rule 020, including the requirements for public involvement and consultation. The Commission accepts ATCO's confirmation that a participant involvement program has been conducted and that there are no outstanding public or industry objections or concerns.

17. The Commission finds that the SEC Project's potential environmental impacts have been sufficiently addressed in ATCO's EPP filed in support of its application. The Commission

⁴ Exhibit 23825-X0016, Proposed 406mm/232mm South Edmonton Connector Pipeline SW 30-51-24-W4 Edmonton Transportation /Utility Corridor (TUC) Edmonton Restricted Development Area.

⁵ Exhibit 23825-X0017, Proposed 406mm South Edmonton Connector (SEC) Pipeline SE & NE 24-51-25-W4 Ellerslie Research Station.

accepts ATCO's commitment to follow the specifications presented in the EPP in order to reduce the risk of potential adverse environmental impacts associated with construction and operation of the SEC Project.

18. The Commission accepts the assessment by ATCO that the noise levels from the South Edmonton Control Station will be in compliance with Rule 012.

19. The Commission finds that the SEC Project addresses the need identified in Decision 2014-010 (Errata) to replace aging infrastructure and to ensure and maintain a safe and reliable supply of natural gas to the city of Edmonton and area.

20. Based on the foregoing, the Commission considers the SEC Project to be in the public interest in accordance with Section 17 of the *Alberta Utilities Commission Act*.

7 Decision

21. Pursuant to sections 3.1(2) and 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, the Commission approves the applications and will issue the amended licences after receipt of ministerial consent for construction within the Edmonton transportation utility corridor.

Dated on October 11, 2018.

Alberta Utilities Commission

(original signed by)

Joanne Phillips
Commission Member