

November 21, 2018

Decision 24032-D01-2018

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

Attention: Sydney Smith, P. Eng.
Project Engineer, Natural Gas Transmission

**Birch Hills Lateral Pipeline Removal
Licence 1571
Proceeding 24032
Application 24032-A001**

Minor pipeline project application

1. ATCO Gas and Pipelines Ltd. (ATCO), by Application 24032-A001 registered on November 5, 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, near the town of Rycroft:

- splitting line 9 into lines 9, 54 and 55
- splitting line 13 into lines 13, 56 and 57
- removal of lines 9, 13 and 55
- lines 54 and 56 are to be abandoned in place and then recorded as abandoned under a subsequent application
- line 57 is to remain in operation

2. The proposed work relates to minor splits and removals of sections of the existing pipeline, within the original right-of-way, previously constructed and operating in accordance with approvals granted in Licence 1571.

3. ATCO stated that during a routine inspection in 2017, a section of the existing 114.3-millimetre outside diameter Birch Hills Lateral Pipeline was discovered to be exposed where it crosses the Saddle (Burnt) River. The pipeline does not have adequate depth of cover, as per the *Pipelines Rules AR91/2005* pursuant to the *Pipeline Act* and Canadian Standards Association (CSA) Z662.15, Clause 4.11. ATCO is proposing to abandon segments of the Birch Hills Lateral Pipeline and to remove the existing pipeline river crossing and existing valve assemblies located on the abandoned segment. ATCO indicated that no customers would be adversely affected by this project and the project would take place on private land.

4. ATCO stated that 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 \$550,000. 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 Birch Hills Lateral Pipeline project falls within the need rationale associated with the general rate application business case.

5. ATCO retained Golder Associates to conduct a pre-construction site assessment and develop an environmental protection plan.² The environmental protection plan for this project was prepared by a qualified aquatic environmental specialist. The Commission accepts ATCO's statement that all recommendations included in the environmental protection plan, including recommendations in the pre-construction site assessment, 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 indicated that a Code of Practice notification for pipelines crossing a water body, in accordance with the *Water Act*, will be submitted to the Alberta Energy Regulator prior to the start of construction. 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 the topsoil is returned.

6. ATCO explained that, at the location of the pipeline crossing, the Saddle (Burnt) River is designated as a Class D water body with no restricted activity period. ATCO provided a self-assessment in the environmental protection plan using Department of Fisheries and Oceans criteria that determined that a request for review is not required unless there is instream work required. ATCO intends to complete the removal by pulling the pipe in one direction without instream disturbance.

7. ATCO stated that a historical resources application was submitted to Alberta Culture and Tourism and the *Historical Resources Act* approval³ was received on October 11, 2018.

8. ATCO stated that consultation and notification for this work has been completed in accordance with Rule 020: *Rules Respecting Gas Utility Pipelines*. Notifications were sent to landowners and occupants on July 27, 2018, and no objections were received. Construction of this project is scheduled to start in the fourth quarter of 2018.

9. 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.

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

² Exhibit 24032-X0004, Environmental Protection Plan.

³ Exhibit 24032-X0003, *Historical Resources Act* Approval.

10. 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.

11. 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