

December 6, 2018

**Decision 24026-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

**Sturgeon River Pipeline Crossing Replacement  
Licence 5341  
Proceeding 24026  
Application 24026-A001**

**Minor pipeline project application**

1. ATCO Gas and Pipelines Ltd. (ATCO), by Application 24026-A001 registered on November 2, 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, in the city of St. Albert:

- splitting line 7 into lines 7 and 53
- splitting line 9 into lines 9 and 54
- lines 8, 9 and 53 are to be abandoned in place and then recorded as abandoned under a subsequent application
- addition of newly constructed pipeline (line 55 – 0.52 kilometres of 273.1-millimetre outside diameter pipeline)
- lines 7 and 54 are to remain in operation

2. The proposed work relates to minor splits, and replacement of a section of the existing pipeline, previously constructed and operating in accordance with approvals granted in Licence 5341.

3. ATCO stated that the in-line inspection results for the 273.1-millimetre Paddle River Transmission Pipeline identified corrosion concerns at four locations near the Sturgeon River pipeline crossing; two near the banks of the Sturgeon River and two in the adjacent Riel Recreation Park (formerly a municipal solid waste landfill). These locations would normally have been further examined with integrity digs, however, the locations physically preclude that procedure. Therefore, ATCO proposed to install approximately 520 metres of new 273.1-millimetre pipeline across the Sturgeon River and abandon 480 metres of 273.1-millimetre pipeline, to address the corrosion concerns.

4. ATCO further explained that the 273.1-millimetre Paddle River Transmission Pipeline was installed in 1965, prior to the creation of the Riel Recreation Park. During the landfill reclamation, a significant amount of fill was placed over the pipeline such that the existing pipeline has an average depth of approximately six metres. Given the depth of the pipeline, extensive shoring solutions would be required to access the pipeline, making the integrity digs

very costly. Due to the proximity of the dig locations to the river, completing the integrity digs would also require in-stream work and extensive excavation within the banks of the river and within areas known to contain contaminated soil. Additionally, the berm that separates the landfill and the river would need to be removed in order to access the pipeline. Mitigating potential contamination of the river while maintaining safe access to the pipeline was considered infeasible with the integrity dig alternative.

5. ATCO stated that 520 metres of 273.1-millimetre outside diameter pipeline would be installed via horizontal directional drilling to replace the existing Sturgeon River crossing. The replacement project was selected as it is the least-cost alternative and provides the most comprehensive solution to the integrity concerns on the existing 273.1-millimetre Paddle River Transmission Pipeline through the Riel Recreation Park and the Sturgeon River crossing. ATCO discussed that the project would ensure that new piping with a modern coating system is installed which would significantly decrease the likelihood that further work at this location would be required. The new pipeline would be installed within a new right-of-way, south of the existing pipeline. This project also involves the abandonment of approximately 480 metres of the 273.1-millimetre outside diameter pipeline which was installed across the Sturgeon River, as well as a segment of pipeline that was installed through the old landfill site.

6. ATCO stated that need for this project falls under its in-line inspection program, which was included in the ATCO Pipelines 2017-2018 General Rate Application and was approved in Decision 22011-D01-2017.<sup>1</sup> The estimated cost of the project is \$3,450,000. In the in-line inspection 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 monitor for conditions that can lead to failures, to eliminate or mitigate such conditions, and to manage integrity data. The Commission accepts that the Sturgeon River Pipeline Crossing Replacement project falls within the need rationale associated with the general rate application business case.

7. ATCO retained Jacobs Engineering to complete a pre-construction site assessment and environmental protection plan<sup>2</sup> for this project. 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. ATCO indicated that a Code of Practice notification for pipelines crossing a water body, was submitted to Alberta Environment and Parks on August 23, 2018, in accordance with the *Water Act*. ATCO also stated that the existing pipeline segments would be tested for liquids 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. Any contaminated soils removed from the old landfill ground would be disposed of at an approved waste management facility and the proposed pipeline would be backfilled with clean imported fill.

8. ATCO explained that, at the location of the pipeline crossing, the Sturgeon River is designated as a Class C water body with a restricted activity period of April 16 to June 30.

---

<sup>1</sup> Decision 22011-D01-2017: ATCO Pipelines 2017-2018 General Rate Application, Proceeding 22011, August 29, 2017, page 36.

<sup>2</sup> Exhibit 24026-X0004, Pre-Construction Site Assessment and Environmental Protection Plan.

Construction for this project is proposed for first quarter of 2019, which would be outside of the 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 in-stream work is necessary. Because ATCO intends to complete the pipeline replacement via horizontal directional drilling without in-stream disturbance, it submitted that no application is required under the *Navigable Waters Act*.

9. ATCO stated that a historical resources application was submitted to Alberta Culture and Tourism and the *Historical Resources Act* approval<sup>3</sup> was received on September 7, 2018.

10. 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 was obtained on October 31, 2018. ATCO also stated that the Aboriginal Consultation Office advised it that First Nation consultation was not required.

11. ATCO has provided information respecting the need, nature and extent of the project. Because the project involves limited ground disturbance and is within or adjacent to 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.

12. 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.

13. 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

---

<sup>3</sup> Exhibit 24026-X0003, *Historical Resources Act* Approval.