



ATCO Gas and Pipelines Ltd. (South)

**Southern Extension Replacement Phase 2B and 2C
Samson and Ermineskin Reservations**

October, 7 2013

The Alberta Utilities Commission

Decision 2013-372: ATCO Gas and Pipelines Ltd. (South)

Southern Extension Replacement Phase 2B and 2C

Samson and Ermineskin Reservations

Application No. 1609764

Proceeding ID No. 2723

October 7, 2013

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1 Introduction and background

1. ATCO Gas and Pipelines Ltd. (South) (ATCO) filed Application No. 1609764 with the Alberta Utilities Commission (AUC or the Commission), on July 17, 2013, seeking approval for an amendment to Permit and Licence No. 2526¹ pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act* for the following:

- removal of Line 152
- addition of Line 166 – 9.83 kilometres of 219.1-millimetre outside-diameter pipe (the proposed pipeline)

1.1 Discussion

2. ATCO stated that Line 152 is part of the Vintage Southern Extension Transmission Pipeline which was installed in 1945/1946 and is nearing the end of its useful life. Based on concerns raised about the operational history of the pipeline, an extensive pipeline integrity evaluation was undertaken to assess the Vintage Southern Extension Transmission Pipeline's condition. The evaluation identified several integrity threats that could present risks towards worker and public safety, the environment, emergency repair response times and supply to customers. Pipeline replacement was the preferred alternative to mitigate the risks identified in the integrity evaluation. ATCO also indicated that the replacement of the Vintage Southern Extension Transmission Pipeline exemplified a proactive approach to maintaining long-term supply to core market centers.

3. The project encompasses the replacement of the remaining portions of the Vintage Southern Extension Transmission Pipeline with the proposed pipeline. ATCO stated that since 2008, 157 kilometres (km) of the Vintage Southern Extension Transmission Pipeline have been replaced in three phases from Red Deer to Poe. The project is comprised of the Phase 2B and 2C portions of the Southern Extension Replacement Project.

4. The remaining portions of the Vintage Southern Extension Transmission Pipeline, that the proposed pipeline seeks to replace, are located within the Samson Cree Nation (Samson) and the Ermineskin Cree Nation (Ermineskin) reserves.

5. ATCO stated that the project involves the installation of 9.83 km of 219.1 millimetre (mm) steel transmission pipeline with a maximum operating pressure of 4,830 kilopascals to replace the existing 219.1 mm Vintage Southern Extension Transmission Pipeline from 04-03-45-24-W4M to 07-12-44-25-W4M. The length of the pipeline being replaced is 6.2 km and

¹ Permit and Licence No. 2526, Application No. 1609764, Proceeding ID No. 2723.

3.6 km for the Samson and Ermineskin reserves respectively. The scope of the project also includes the tie-in of eight existing meter/regulating stations, and the removal of the entire length of the existing Vintage Southern Extension Transmission Pipeline on the Samson and Ermineskin reserves. The Vintage Southern Extension Transmission Pipeline will be removed after the installation of the proposed pipeline is completed.

6. ATCO stated that eight existing meter/regulating stations will be tied into the proposed pipeline. The existing meter/regulating stations are currently tied into the Vintage Southern Extension Transmission Pipeline which is scheduled for removal once the installation of the proposed pipeline is complete. ATCO indicated that no changes will be made to the existing equipment, load requirements, gas velocity, or noise produced at the meter/regulating stations.

1.2 Commission's process

7. The Commission issued information requests to ATCO on August 9, 2013. ATCO responded to the AUC's information requests on August 23, 2013.

8. The Commission issued a second round of information requests to ATCO on September 6, 2013. ATCO responded to the information requests on September 17, 2013.

1.3 Consultation

9. ATCO submitted that it has consulted with the Samson and the Ermineskin and reached agreements to construct the project. Band Council Resolutions have been signed for the proposed pipeline permit area (right-of-way). Also, applications to Aboriginal Affairs and Northern Development (Aboriginal Affairs) are underway for the permit areas on the Samson and Ermineskin reserves.

10. ATCO stated that an open house information session was held at the Samson Bingo Hall in Hobbema on February 21, 2012. Information regarding the history of the existing Vintage Southern Extension Transmission Pipeline, reasons for replacement, details of the proposed pipeline route, environmental considerations and assessments, and project milestones were discussed at the open house.

11. ATCO stated that Certificate of Possession landowners were present on the proposed pipeline route within the Samson Reserve and that consent forms have been obtained from all Certificate of Possession landowners.

12. ATCO submitted that it has obtained confirmation of non-objection for the project from all landowners and occupants along the right-of-way outside of the Samson and Ermineskin reserves, and indicated that it had conducted industry notifications in accordance with the requirements of AUC Rule 020: *Rules Respecting Gas Utility Pipelines* (AUC Rule 020).

13. In its application, ATCO stated that the requirements of the consultation and notification program required by AUC Rule 020 were met and that no outstanding objections or concerns remain in regards to the project.

1.4 Environmental assessment

14. ATCO stated that, since the proposed pipeline traverses federally regulated lands, it retained TERA Environmental Consultants (TERA) to complete an Environmental Assessment

Report² pursuant to the *Canadian Environmental Assessment Act, 2012* and applied to Aboriginal Affairs pursuant to Section 4(1)(g) of the *Canadian Environmental Assessment Act, 2012* for approval. TERA would have an environmental inspector on site as required for the duration of the pipeline construction activities to ensure compliance with the recommendations set out in the Environmental Assessment Reports. Approval of the Environmental Assessment Reports was received from Aboriginal Affairs on November 21, 2012³ subject to the condition that ATCO comply with all mitigation measures prescribed in the Environmental Assessment Reports conducted by TERA.

15. ATCO indicated that the location of the existing meter/regulating facilities would not change as a result of the project.

16. ATCO submitted that the project is located entirely on lands under federal jurisdiction and, as such, the Alberta Environment and Sustainable Resource Development Wildlife Management Group was not consulted. However, the provincial Fisheries and Wildlife Management Information System was reviewed for background information on species potentially occurring in the vicinity of the project.

17. According to the Environmental Assessment Reports for the project, wildlife field work was conducted along the project's proposed route with representatives from the Ermineskin in Phase 2B and the Samson in Phase 2C. The field work included traversing the entire length of the proposed pipeline route on foot.

18. ATCO stated that since the time of its application to Aboriginal Affairs in early 2012, ATCO has revised the proposed construction schedule. The current anticipated schedule for construction is fall/winter 2013.

19. ATCO stated that supplemental wildlife field surveys (i.e., migratory bird nest surveys, and raptor surveys) were recommended in the Phase 2C Wildlife Report⁴ prepared by TERA, to identify wildlife species of concern. ATCO indicated that supplemental wildlife field surveys were not conducted because the construction schedule was revised. ATCO indicated that in its discussions with TERA, it was determined that delaying the project to complete the supplemental field work was not required as the revised construction schedule avoided the breeding period of raptors that may be found in the project area therefore, impacts/disturbances to any active raptor nests would be avoided.

20. ATCO indicated that the area surrounding the potential raptor nest consists of previously disturbed lands (i.e., cultivated fields, and the existing pipeline right-of-way). Also, the proposed construction method at NE 12 44 25 W4M involves a trenchless directionally drilled pipeline installation under a treed area, associated Class D Drainage and Township Road 442, and as a result, no new clearing of vegetation is required.

21. ATCO submitted that in the event that a raptor nest is found, ATCO would consult with the appropriate agency to determine the best mitigation strategy in accordance with the mitigation measures prescribed by TERA.

² Exhibit Nos. 00010.00.ATCO-2723 and 0011.ATCO-2723, Environmental Assessment Reports for Phases 2B and 2C.

³ Exhibit No. 0012.ATCO-2723, CEAA Environmental Approval.

⁴ Appendix 4 of the Phase 2C Environmental Assessment Report.

22. The revised construction schedule indicated that no construction would occur during the restricted activity period for migratory birds. ATCO has committed to directional drill all wetlands to mitigate the environmental impact.

23. ATCO indicated that it did not discuss the decision to forego the supplemental wildlife surveys, specifically the raptor surveys, which were recommended in TERA's Phase 2C Wildlife Report, with Aboriginal Affairs or any other provincial or federal agency.

2 Findings

24. The Commission has reviewed ATCO's application and accepts that there are integrity threats on the Vintage Southern Extension Transmission Pipeline that could present risks towards worker and public safety, the environment, emergency repair response times and supply to customers. The Commission finds that this project is necessary to complete the replacement of the Vintage Southern Extension Transmission Pipeline in order to ensure both public safety and security of supply for ATCO's customers.

25. Due to the nature of the application, a notice of application was not issued and, therefore, a hearing was not required as the Commission considered that its decision or order would not directly and adversely affect the rights of a person pursuant to Section 9 of the *Alberta Utilities Commission Act*.

26. The Commission accepts ATCO's submission that a participant involvement program has been conducted in accordance with AUC Rule 020 and that there are no outstanding public or industry objections or concerns. In making its decision, the Commission considered that the entire project is on lands under federal jurisdiction, and ATCO has agreements in place with the Ermineskin and Samson. In addition, the Commission observes that during the preparation of the Environmental Assessment Reports, representatives from the affected First Nations were present while wildlife field work was conducted along the entire pipeline route.

27. The Commission determines that Band Council Resolutions have been signed for the proposed pipeline permit area (right-of-way) and that applications to Aboriginal Affairs have been submitted. The Commission expects that ATCO will receive all necessary approvals from Aboriginal Affairs prior to commencing construction.

28. The Commission determines that Environmental Assessment Reports were submitted to Aboriginal Affairs and that ATCO has received Aboriginal Affairs' approval for the project on the condition that mitigation measures proposed by TERA are completed.

29. In the Commission's view, further discussion is necessary between ATCO and Aboriginal Affairs regarding the need for the supplemental raptor wildlife surveys. ATCO received Aboriginal Affairs' approval for the Environmental Assessment Reports on the condition that ATCO implement TERA's prescribed mitigation measures. At the time ATCO received Aboriginal Affairs' approval TERA had recommended that supplemental wildlife surveys be conducted. ATCO indicated that it has not sought approval from Aboriginal Affairs to forego the supplemental wildlife surveys based on TERA's recommendation that such surveys are unnecessary due to the revised construction schedule. The Commission expects ATCO to follow all mitigation measures prescribed by Aboriginal Affairs and to receive approval from Aboriginal Affairs on any revised recommendations provided by TERA, including TERA's

revised recommendation not to complete the supplemental wildlife surveys, before construction commences.

30. The Commission determines that the locations of the eight existing meter/regulating stations to be tied into the proposed pipeline would not change and as a result, the noise impact of the existing stations would be unaffected by the project.

31. The Commission has reviewed the application and determines that it meets the requirements stipulated in AUC Rule 020.

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

3 Decision

33. Pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, the Commission approves the amendment to Permit and Licence No. 2526 and grants ATCO the amended permit and licence, as set out in Appendix 1 – Gas Utility Pipeline – Southern Extension Replacement Phase 2B and 2C – Permit and Licence No. 2526 – October 7, 2013 (Appendix 1 will be distributed separately).

Dated on October 7, 2013.

The Alberta Utilities Commission

(original signed by)

Tudor Beattie, QC
Commission Member