



AUC

Alberta Utilities Commission

ATCO Gas and Pipelines Ltd. (South)

Carbon Pipeline System Upgrades

**Townships 24 and 25, Range 28, West of the Fourth Meridian,
East of Calgary**

November 27, 2013

The Alberta Utilities Commission

Decision 2013-422: ATCO Gas and Pipelines Ltd. (South)

Carbon Pipeline System Upgrades

Townships 24 and 25, Range 28, West of the Fourth Meridian, East of Calgary

Application No. 1609971

Proceeding ID No. 2859

November 27, 2013

Published by

The Alberta Utilities Commission

Fifth Avenue Place, Fourth Floor, 425 First Street S.W.

Calgary, Alberta

T2P 3L8

Telephone: 403-592-8845

Fax: 403-592-4406

Website: www.auc.ab.ca

1 Introduction and background

1. ATCO Gas and Pipelines Ltd. (South) (ATCO) filed an application with the Alberta Utilities Commission (AUC or the Commission) on October 8, 2013, seeking approval for an amendment to Permit and Licence No. 106¹ pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, for the following:

- splitting Line 3 into Line 3, Line 105 and Line 106
- length amendment of Line 3, Line 105 and Line 106 from a collective length of 82.68 kilometers to a collective length of 76.11 kilometres
- addition of 0.08 kilometres of newly constructed pipeline to be designated as Line 107 [406.4-millimetre (mm) outside-diameter (OD)]
- splitting Line 51 into Line 51, Line 108, Line 109, Line 110 and Line 111
- addition of 0.08 kilometres of newly constructed pipeline to be designated as Line 112 (508 mm OD pipeline)
- addition of 2.39 kilometres of newly constructed pipeline to be designated as Line 113 (508 mm OD pipeline)
- Line 105, Line 108 and Line 110 are to be abandoned under a future application (the project)

1.1 Discussion

2. The project is proposed to meet the requirements caused by a change in class location under Canadian Standards Association (CSA) Z662-11 entitled *Class 3 Location Requirements*. A proposed residential development in close proximity to both the 508 mm Carbon Loop transmission pipeline and the 406.4 mm Carbon transmission pipeline would increase the population density which would change the designation of the area to a Class 3 location under CSA Z662-11.

¹ Permit and Licence No. 106, Application No. 1609971, Proceeding ID No. 2859, November 27, 2013.

3. In its application, ATCO proposed to replace 2.47 kilometres of the existing Carbon Loop transmission pipeline, the crossings located at Range Road 284 and Township Road 250 as well as 0.08 kilometres of the existing Carbon transmission pipeline, and the crossing located at Range Road 284 to satisfy code requirements for a Class 3 location. The new pipe to be installed would be a higher pipe grade that would meet the requirements for a Class 3 location.
4. Under CSA Z662- 11, the maximum allowable stress level is 56 per cent specified minimum yield strength for general areas and 50 per cent specified minimum yield strength for road crossings.
5. ATCO stated that the existing stress level on the Carbon Loop transmission pipeline is 69 per cent specified minimum yield strength. Therefore, the 2.39 kilometre pipeline replacement and the Range Road 284 and Township Road 250 road crossing replacements are required to accommodate the proposed residential development.
6. ATCO submitted that the maximum operating pressure of the Carbon transmission pipeline would be reduced to 5,250 kPa from 5,520 kPa. The lower operating pressure would decrease the stress level on the Carbon transmission pipeline to 56 per cent, which is in accordance with CSA Z662-11. However, where the Carbon transmission pipeline crosses Range Road 284 the pipeline segment needs to be replaced because the 56 per cent stress level would not meet CSA Z662-11. ATCO indicated, that the stress level cannot be reduced by decreasing the maximum operating pressure below 5,250 kPa in order to meet delivery requirements. Therefore, the Carbon transmission pipeline segment that crosses Range Road 284 must be replaced.
7. ATCO stated that the existing portion of the Carbon transmission pipeline that crosses Township Road 250 was installed using a grade of pipe that meets the road crossing requirements of CSA Z662-11. ATCO indicated that field confirmation of the pipe grade used in the Township Road 250 crossing would be completed during the replacement of the adjacent Carbon Loop transmission pipeline.²
8. ATCO submitted that a subsequent application would be submitted to abandon in place the portions of the pipelines being replaced namely, the existing 2.39 kilometre section, the Range Road 284 crossing and the Township Road 250 crossing of the Carbon Loop transmission pipeline and the Range Road 284 crossing of the Carbon transmission pipeline.
9. In addition, ATCO indicated that it would apply to the Commission for approval to reduce the maximum operating pressure of the Carbon transmission pipeline once all upgrades and operational changes required on the system have been completed.

1.2 Environmental assessment

10. ATCO completed and submitted a pre-construction site assessment for the project which identified that the primary environmental concerns regarding the pipeline installation include

² Exhibit No. 0029.00.ATCO-2859, Response to IR - AUC-ATCO-1.

minimizing disturbance to residential development, topsoil management, maintenance of soil quality and capability, erosion control, and weed management.

11. ATCO indicated that its Environmental Protection Plan was designed in accordance with the Environmental Protection Guidelines for Pipelines published by Alberta Environment and Sustainable Resources Development.

12. ATCO stated that all environmental concerns could be mitigated in accordance with the recommendations set out in its pre-construction site assessment and the Environmental Protection Plan and that an environmental inspector would be on site during pipeline construction activities to ensure compliance with the recommendations set out in the pre-construction site assessment and Environmental Protection Plan.

13. ATCO stated that the project does not require a conservation and reclamation application.

14. ATCO submitted that the project is a Class II pipeline and the proposed project route does not traverse lands with a designated historic resource value and, as such, *Historical Resources Act* clearance was not required.

1.3 Consultation

15. ATCO stated that it conducted consultation in accordance with the requirements of AUC Rule 020: *Gas Utility Pipelines* (AUC Rule 020).

16. ATCO indicated that the project was advertised in the Rocky View Weekly newspaper for two consecutive weeks and submitted that it has not received any objections or concerns related to the project.

17. ATCO also submitted that it has obtained confirmation of non-objection for the project from all landowners and occupants along the right-of-way.

2 Commission findings

18. The Commission has reviewed the application and has determined that it meets the requirements, including the public involvement and consultation requirements of AUC Rule 020. The Commission accepts ATCO's confirmation that there are no outstanding public or industry objections or concerns related to the project.

19. 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*.

20. The project is intended to meet the need for pipeline replacement to accommodate future residential development, the need to upgrade the portions of the Carbon Loop transmission pipeline and the Carbon transmission pipeline to meet code requirements for residential areas contained in CSA Z662-11, and to ensure public safety. The Commission finds that the application appropriately addresses this need.

21. The Commission expects that ATCO will confirm that the grade of the Carbon transmission pipeline that crosses Township Road 250 meets the requirements contained in CSA Z662-11 during ATCO's replacement of the adjacent Carbon Loop pipeline.
22. The Commission has reviewed the potential environmental impacts of the project and ATCO's submissions as outlined above.
23. The Commission finds that the project's environmental impacts can be adequately addressed through the recommendations contained in the Environmental Protection Plan and pre-construction site assessment. In making its determination, the Commission accepts that ATCO will comply with the recommendations identified in the Environmental Protection Plan and pre-construction site assessment and that an environmental inspector will be on-site during pipeline construction to ensure compliance with these recommendations. The Commission also determines that the Environmental Protection Plan provided by ATCO is adequate and accepts ATCO's submission that the Environmental Protection Plan meets the Environmental Protection Guidelines for Pipelines published by Alberta Environment and Sustainable Resources Development.
24. 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

25. Pursuant to Section 11 of the *Pipeline Act*, Section 4.1 of the *Gas Utilities Act*, the Commission approves the amendment to Permit and Licence No. 106 and grants ATCO the amended permit and licence as set out in Appendix 1 – Gas Utility Pipeline – Carbon Pipeline System Upgrades – Permit and Licence No. 106 – November 27, 2013 (Appendix 1 will be distributed separately).

Dated on November 27, 2013.

The Alberta Utilities Commission

(original signed by)

Tudor Beattie, QC
Commission Member