



ATCO Gas and Pipelines Ltd. (South)

Construction of the East Calgary B Extension Pipelines

July 31, 2014



The Alberta Utilities Commission

Decision 2014-225: ATCO Gas and Pipelines Ltd. (South)

Construction of the East Calgary B Extension Pipelines

Application No. 1610512

Proceeding No. 3205

July 31, 2014

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The Alberta Utilities Commission

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1 Introduction and background

1. On April 25, 2014, ATCO Pipelines (ATCO), a division of ATCO Gas and Pipelines Ltd. (South), filed an application with the Alberta Utilities Commission (AUC or the Commission) pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act* requesting approval to construct the East Calgary B Extension (ECBE) pipelines in Rocky View county and the city of Calgary.

2. ATCO indicated that pursuant to Licence No. 5895¹ and Licence No. 3105,² it currently operates a number of pipelines in the area. In its application, ATCO is seeking approval to modify its existing Licence No. 5895 and construct 2.43 kilometres (km) of 609.6-millimetre (mm) outside-diameter (OD) high pressure, odorized sweet natural gas pipeline (the ECBE pipeline) from the proposed East Calgary B Interconnect (ECBI) station at an above ground valve assembly/pig trap located on land owned by ATCO in SE 3-26-29-W4M to the proposed Calgary Energy Centre backpressure station located in the transportation utility corridor (TUC) in NW 35-25-29-W4M. Specifically, ATCO proposed to add the following newly constructed pipelines and other related infrastructure to Licence No. 5895:

- Line 160 – 0.02 km of 609.6-mm OD pipeline.
- Line 161 – 0.88 km of 609.6-mm OD pipeline.
- Line 162 – 0.31 km of 609.6-mm OD pipeline.
- Line 163 – 0.77 km of 609.6-mm OD pipeline.
- Line 164 – 0.41 km of 609.6-mm OD pipeline.
- Line 165 – 0.02 km of 609.6-mm OD pipeline.
- East Calgary B Interconnect station.
- Calgary Energy Centre backpressure station.

3. ATCO also sought approval to modify existing Licence No. 3105 by adding the following newly constructed pipeline:

- Line 24 – 0.12 km of 219.1-mm OD pipeline.

4. Line 24 would contained odorized sweet natural gas pipeline and would run from the proposed ECBI station to the existing Petrogas Airdrie Control Station located in SW 2-26-29-W4M.

¹ Permit and Licence No. 5895, Application No. 1606732, Proceeding No. 924, November 16, 2010.

² Permit and Licence No. 3105, Application No. 1594304, November 25, 2008.

5. ATCO stated that the proposed pipelines and associated above ground facilities would be located in Rocky View county and the city of Calgary, partially on private land and partially within the TUC. ATCO explained that the purpose of the ECBE pipeline is to increase pipeline capacity to compensate for natural gas volumes diverted through recently constructed pipeline infrastructure³ from the city of Calgary to the new Shepard Energy Centre which has a contract demand of 113 terajoules per day. The purpose of the 219.1-mm OD pipeline is to maintain supply to the city of Airdrie.

6. In its application, ATCO stated that should the project be approved, it plans to install above ground valve assemblies/pig traps for this project. These valve assemblies would be located within the ECBI station site in SE 3-26-29-W4M and within the Calgary Energy Centre backpressure station site in NW 35-25-29-W4M.

7. ATCO stated that an application to abandon approximately one km of the existing 219.1-mm pipeline (Line 1 of Licence No. 6303) and approximately one km of the existing 323.9- mm pipeline (Line 34 of Licence No. 5895) would be made in the future as these pipeline segments would no longer be required for natural gas service should the application be approved.

8. ATCO submitted the details of the ECBE project in the Shepard Energy Centre delivery business case, which was submitted as part of ATCO's 2013/2014 general rate application. ATCO further stated that the business case for this project was approved by the Commission in Decision [2013-430](#).⁴

9. ATCO stated that the construction of the new pipelines and related surface facilities is proposed to commence in the summer of 2014 and be completed in late fall of 2014. Final reclamation of the areas affected by the pipeline construction activities would be completed in the summer/fall of the year after the new pipeline has been commissioned.

1.1 Commission process

10. The Commission issued information requests to ATCO on May 28, 2014, and ATCO filed its responses on June 11, 2014.

11. On June 2, 2014, the Commission issued a notice of application and indicated a deadline of June 26, 2014 for interested parties to file submissions with the Commission. Subsequent to issuing the notice, the Commission extended the deadline for submissions until July 23, 2013,⁵ for parties who did not receive the original notice. No objections or concerns were filed.

³ In Decision 2013-302: ATCO Gas and Pipelines Ltd. (South) Shepard Energy Centre Delivery Lateral Pipeline, Application No. 1609692, Proceeding No. 2673, August 14, 2013, the AUC approved the installation of 16 km of 508 mm pipeline to serve the Shepard Energy Centre. The ECBE pipeline was identified as being required to replace pipeline capacity transferred for use to serve the Shepard Energy Centre.

⁴ Decision 2013-430: ATCO Pipelines 2013-2014 General Rate Application, Application No. 1609158, Proceeding No. 2322, December 4, 2013, page 44 of 128.

⁵ Exhibit No. 0077.01.ATCO-3205, AUC letter to updated address for notice of application.

1.2 Environmental assessment

12. ATCO stated that it engaged the services of TERA Environmental Consultants to prepare a pre-construction site assessment and environmental protection plan⁶ for this project. The proposed pipeline crosses five Class III wetlands. However, ATCO indicated that no watercourses or drainages are crossed by the proposed route. Notification to Alberta Environment and Sustainable Resource Development (ESRD)⁷ under the *Code of Practice for Pipelines and Telecommunication Lines Crossing a Water Body* for wetland crossings along the proposed route was completed in January 2014. ATCO stated that it would have environmental inspectors on-site for the duration of construction activities to ensure compliance with all approvals.

13. ATCO stated that because the proposed pipeline does not traverse lands with a designated historical resource value, does not cross significant sites, and is a Class II pipeline, *Historical Resources Act* clearance is not required for the project.

14. ATCO stated that it engaged the services of Acoustical Consultants Inc. to complete noise impact assessments for the proposed two new stations. The assessments showed that noise mitigation would not be required at either of the sites.

1.3 Consultation

15. ATCO stated that consultation with potentially affected parties was completed in accordance with AUC Rule 020: *Rules Respecting Gas Utility Pipelines* (AUC Rule 020).

16. ATCO stated that notification packages were sent to landowners within 200 metres of the proposed pipeline who had not already been personally consulted as directly affected parties. ATCO stated that it also completed consultations with the local municipalities including Rocky View County and the City of Calgary. ATCO stated that industry notifications for the project were completed in September 2013 and that there were no unresolved issues associated with the industry notifications for this project. ATCO also ran public notice advertisements⁸ in the Calgary Herald on November 2, 2013, in the Calgary Sun on November 2, 2013, and in the Rocky View Weekly on November 5, 2013.

17. ATCO submitted that the proposed pipeline alignment was established through consultation with the above-noted stakeholders.

18. ATCO indicated that it has received confirmations of non-objection for the pipelines from all landowners, occupants and parties directly affected under this application, although, initially one landowner expressed concerns with the pipeline routing. ATCO explained that the landowner's concern has been recently resolved, and on June 3, 2014, the landowner provided confirmation of non-objection and will be granting ATCO a right-of-way.⁹

19. As the project is located in the TUC, a ministerial consent application was submitted to Alberta Infrastructure on December 17, 2013. ATCO submitted a non-objection letter from

⁶ Exhibit No. 0028.00.ATCO-3205, construction site assessment and EPP.

⁷ Exhibit No. 0030.00.ATCO-3205, Water Act Code of Practice Notification.

⁸ Exhibit No. 0025.00.ATCO-3205, 0026.00.ATCO -3205, 0027.00.ATCO -3205, Public Notice Advertisements.

⁹ Exhibit No. 0076.00.ATCO-3205, Response to IR.AUC-ATCO-2(a-b).

Alberta Infrastructure on February 21, 2014, which stated that ministerial consent would be issued once the Commission approves the project.¹⁰

2 Findings

20. When deciding whether approval of the proposed facilities 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. 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 observes in this respect that, although there was an initial concern from a landowner, there are no outstanding public or industry objections or concerns regarding this application. As such, the Commission did not hold a hearing before making its decision on the application.

21. The Commission also finds that information in the application submitted by ATCO fulfills the requirements of AUC Rule 012: *Noise Control*.

22. The Commission finds that the environmental information required for the application has been sufficiently provided within the application and information request responses. The Commission also recognizes that, where required, wetlands crossing notifications have been made to AESRD. The Commission is satisfied that with ATCO's commitments to follow the specifications presented in the environmental protection plan, the project's potential adverse environmental impacts can be mitigated or avoided.

23. The Commission observes the project does not require *Historical Resources Act* clearance because the proposed pipelines are Class II pipelines, and do not traverse lands with a designated historical resource value or cross significant historical sites.

24. The Commission expects ATCO to abide by its commitment to not begin construction until ministerial consent respecting the use of the TUC has been issued and that ATCO will abide by the conditions set forth in the ministerial consent issued by Alberta Infrastructure.

25. 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*.

¹⁰ Exhibit No. 0013.00. ATCO -3205, Ministerial Consent – Non-Objection.

3 Decision

26. Pursuant to Section 11 of the *Pipeline Act* and Section 4.1 of the *Gas Utilities Act*, the Commission approves the amendment to Licence No. 5895 and Licence No. 3105 and grants ATCO the following amended licences for the construction of the East Calgary B Extension Pipelines:

- Appendix 1 – Gas Utility Pipeline Licence No. 5895 – July 31, 2014.
- Appendix 2 – Gas Utility Pipeline Licence No. 3105 – July 31, 2014.

27. The appendices will be distributed separately.

Dated on July 31, 2014.

The Alberta Utilities Commission

(original signed by)

Tudor Beattie, QC
Commission Member